



David Sanders, Ph.D.
Director

**County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
425 Shatto Place, Los Angeles, California 90020
(213) 351-5602**

June 17, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT FROM THE UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT (HUD)
AND ASSIGN TO UNITED FRIENDS OF THE CHILDREN (UFC)
HUD GRANT (CA16B100043-HUD III) TO FUND
THE HOUSING PROGRAM FOR HOMELESS YOUNG PEOPLE
(ALL DISTRICTS) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Accept a two-year renewal HUD Supportive Housing Program (HUD/SHP) grant totaling \$588,710, at no net County cost (NCC), by authorizing the Director, Department of Children and Family Services (DCFS), or his authorized designee, to execute the attached Agreement (Attachment 1) with HUD, and to certify and sign the necessary forms to receive grant payments, effective upon approval of your Board.
2. Upon acceptance of this grant, authorize the Director of DCFS, or his authorized designee, to assign the grant to UFC, a non-profit organization as the sole source recipient of the grant, to assume all of the responsibilities created under the grant.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions will provide funding for transitional housing and supportive services to approximately forty (40) emancipating foster youth annually over a two-year period. These youth do not have a family support structure to help them make the transition from foster care to life as independent adults.

Board of Supervisors

GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
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Third District

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MICHAEL D. ANTONOVICH
Fifth District

DCFS has eleven (11) HUD grants that partially fund its Transitional Housing Program (THP). These eleven grants enable DCFS to provide 284 beds with supportive services which include temporary housing, employment training, job placement assistance, assistance in securing permanent housing, child care and related services to assist youth with making a successful transition from foster care to independent living.

The HUD III renewal grant enables DCFS to provide transitional housing services to 40 youth in the Whittier area. This renewal grant was scheduled to cover the time period from October 2002 through October 2004. However, because of certain unexpected problems addressed below, DCFS did not receive a formal Grant Agreement from HUD until April 2003. Consequently, DCFS was unable to draw on funds allocated for this grant. Since UFC leases the property where these youth reside, UFC agreed to fill this service gap and has provided housing and supportive services to these youth since October 2002.

As a result of difficulties the Department experienced administering this grant, including maintaining adequate staffing for the THP program (which over time jeopardized the HUD grants), DCFS made the decision to assign this grant. In an effort to prevent further problems in fulfilling the obligations of the HUD grant program, DCFS assigned the HUD grant CA16B100043 to UFC as UFC leases the property where the youth reside, and is considered the sole source provider for these services. Further, UFC has demonstrated a willingness and ability to perform these services.

Additionally, by assigning this grant, DCFS will obviate the need for further HUD scrutiny. HUD conducted a monitoring visit last summer and found that some of the leases for THP properties were "less than arms length" since HUD/SHP funds were used to pay for rent at these properties which are owned by the Community Development Commission.

Due to their vast private resources, UFC will provide emancipated foster youth, including DCFS youth, with more intensive services than would otherwise be provided under the grant. UFC has developed a Pathways program which will provide transitional housing and supportive services to emancipated foster youth.

Implementation of Strategic Plan Goals

The recommended actions are consistent with furthering the principles of the County Strategic Plan by improving the well-being of children and families in Los Angeles County (Goal # 5: Children and Families' Well-Being, Strategy #1: fully implement

integrated service delivery initiatives to demonstrate substantial progress toward achieving improved outcomes for children and families).

FINANCING/FISCAL IMPACT

The HUD III renewal grant amount is \$588,710. Another \$360,980 in matching funds (\$106,833 from UFC and \$254,147 from ILP funds) is included in the Department's FY 02-03 budget, at no NCC. The ILP matching funds will cease upon the assignment of the HUD III grant to UFC. The HUD III grant is not included in the FY 03-04 budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Department is requesting Board approval to enter into an agreement with HUD to provide transitional housing services to former foster youth in Los Angeles County. Once Board approval is received, the Director of DCFS will accept the Grant Agreement and then submit the Agreement to HUD for execution.

HUD authorized DCFS to assign the grant to UFC, but requires that DCFS first accept the grant. After the execution of this Agreement, DCFS will assign the entire grant Agreement to UFC, through a request to HUD to amend the grant, thereby relinquishing DCFS of all future obligations under this Agreement.

A Grants Management Statement (Attachment 2) has been reviewed by the CAO. This Board Letter has been reviewed by County Counsel and approved by the CAO.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Assignment of HUD III to UFC will eliminate 40 beds from the Department's THP program. The THP will now have 244 beds available to DCFS emancipated youth. However, UFC will consider DCFS youth for the Pathways program.

CONCLUSION

Upon approval of this request, please instruct the Executive Officer/Clerk of the Board of Supervisors to send an adopted copy of this Board Letter to:

1. Department of Children and Family Services
Attention: Walter Chan, Contract Manager
425 Shatto Place, Ste. 200
Los Angeles, CA 90020

Honorable Board of Supervisors
June 17, 2003
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2. Department of Children and Family Services
Attention: Michael Olenick, Division Chief
Emancipation Services
3530 Wilshire Blvd., Ste. 400
Los Angeles, CA 90010
3. Office of the County Counsel
Children's Services Division
Attention: Rosemarie Belda, Principal Deputy
County Counsel
201 Centre Plaza Drive, Ste. 1
Monterey Park, CA 91754

Respectfully submitted,



DAVID SANDERS, Ph.D.
Director

Attachments (2)

c: David E. Janssen
Lloyd W. Pellman
Violet Varona-Lukens

2001 SUPPORTIVE HOUSING PROGRAM
RENEWAL GRANT AGREEMENT

This Grant Agreement is made by and between the United States Department of Housing and Urban Development (HUD) and Los Angeles County-Dept. of Children and Family Services, the Recipient, whose Tax ID number is 95-6000927 for Project Number CA16B100043 to be located at 3530 Wilshire Blvd., 4th Floor.

The assistance which is the subject of this Grant Agreement is authorized by the McKinney-Vento Homeless Assistance Act.(hereafter "the Act") The term "grant" or "grant funds" means the assistance provided under this Agreement. This grant agreement will be governed by the Act, the Supportive Housing rule codified at 24 CFR 583, attached here to and made a part hereof as Attachment A, and the Notice of Fund Availability (NOFA) published February 26, 2001 at 66 FR12207 and amended May 21, 2001 at 66 FR27987.

The term "Application" means the original and renewal application submissions on the basis of which a Grant was approved by HUD, including the certifications and assurances and any information or documentation required to meet any grant award conditions. The Application is incorporated herein as part of this Agreement, however, in the event of conflict between the provisions of those documents and any provision contained herein, this Renewal Grant Agreement shall control. The Secretary agrees, subject to the terms of the Grant Agreement, to provide the grant funds in the amount specified below for the approved project described in the Application.

Although this agreement will become effective only upon the execution hereof by both parties, upon execution, the term of this agreement shall run from the end of the Recipient's final operating year under the original Grant Agreement for a period of 2 years. Eligible costs, as defined by the Act and Attachment A, incurred between the end of Recipient's final operating year under the original Grant Agreement and the execution of this Renewal Grant Agreement may be paid with funds from the first operating year of this Renewal Grant.

HUD's total fund obligation for this project is \$588,710, allocated as follows:

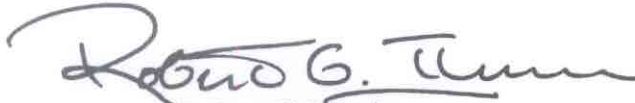
- | | |
|----------------------------------|------------------|
| 1. Grant for Operating | <u>\$240,446</u> |
| 2. Grant for Supportive Services | <u>\$280,094</u> |
| 3. Grant for Leasing | <u>\$40,138</u> |
| 4. Grant for Administration | <u>\$28,032</u> |

Finally, also enclosed is a SNAPs Payment Voucher (HUD-27053A). These vouchers are no longer pre-numbered, so you may duplicate this voucher for each use.

No funds can be disbursed to you until the Renewal Grant Agreement is fully executed. Please note that funds for this project will not be released until the "Arms-Length" issue identified in the September 30, 2002 monitoring letter is resolved.

If you have any questions, please contact Juanita Gutierrez, Public Trust Specialist, at (213) 894-8000, extension 3331. We look forward to working with you toward the successful continuation of your Supportive Housing Program project.

Very sincerely yours,

A handwritten signature in dark ink, appearing to read "Robert G. Ilumin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert G. Ilumin
Acting Director
Office of Community Planning
and Development

Enclosures



U.S. Department of Housing and Urban Dev.
 Los Angeles Area Office, Region IX
 611 West Sixth Street
 Los Angeles, California 90017

APR 11 2003

David Sanders, PhD, Director
 Los Angeles County-Dept. of Children and Family Services
 Attn: Caroline Moore-Williams
 3530 Wilshire Blvd., 4th Flr
 Los Angeles, CA 90010

Dear Dr. Sanders:

SUBJECT: Transmittal of Grant Agreement
 Supportive Housing Program (SHP)
 Project Number: CA16B100043
 Sponsor: Los Angeles County-Dept. of Children and Family Services

Congratulations on the final selection of Transitional Housing for Young People-Whittier for renewal grant funding under the Supportive Housing Program. All conditions attached to your award for this project have been met. This award for 2 years will continue to support your program previously funded by HUD under Grant Number CA16B900009, further contributing to our national effort to end homelessness.

Upon execution of the Renewal Grant Agreement by you and HUD, we will obligate the total funds for this project in the amount of \$588,710, allocated as follows:

- | | |
|----------------------------------|------------------|
| 1. Grant for operating | <u>\$240,446</u> |
| 2. Grant for supportive services | <u>\$280,094</u> |
| 3. Grant for leasing | <u>\$40,138</u> |
| 4. Grant for administration | <u>\$28,032</u> |

Enclosed are three copies of the Renewal Grant Agreement that constitutes the agreement between you and HUD. Please sign and date all three copies and return two copies to this office within two weeks of receipt of this letter. Keep one signed and dated copy for your records. Your new Voice Response Number for your renewal grant will be generated and sent to you under separate cover.

A new Direct Deposit Form is also enclosed. You do not need to fill out a Direct Deposit Form unless you are going to designate a different bank from that identified for your most recent grant. If you are going to change banks, please complete Section 1 and have your financial institution complete Section 3 and return it and a voided check to the address listed in Section 2. Additional instructions are included in the enclosed Grantee Financial Instructions.

The Recipient must provide a 25 percent cash match for supportive services pursuant to HUD's FY 2001 Appropriations Act.

The Recipient agrees to comply with all requirements of this Grant Agreement and to accept responsibility for such compliance by any entities to which it makes grant funds available.

HUD notifications to the Recipient shall be to the address of the Recipient as written above, unless HUD is otherwise advised in writing. Recipient notifications to HUD shall be to the HUD Field Office executing the Grant Agreement. No right, benefit, or advantage of the Recipient hereunder be assigned without prior written approval of HUD.

For any project funded by this grant which is also financed through the use of the Low Income Housing Tax Credit, the following applies:

HUD recognizes that the Recipient or the project sponsor will or has financed this project through the use of the Low-Income Housing Tax Credit. The Recipient or project sponsor shall be the general partner of a limited partnership formed for that purpose. If grant funds were used for acquisition, rehabilitation or construction, then, throughout a period of twenty years from the date of initial occupancy or the initial service provision, the Recipient or project sponsor shall continue as general partner and shall ensure that the project is operated in accordance with the requirements of this Grant Agreement, the applicable regulations and statutes. Further, the said limited partnership shall own the project site throughout that twenty-year period. If grant funds were not used for acquisition, rehabilitation or new construction, then the period shall not be twenty years, but shall be for the term of the grant agreement and any renewal thereof. Failure to comply with the terms of this paragraph shall constitute a default under the Grant Agreement.

A default shall consist of any use of grant funds for a purpose other than as authorized by this Grant Agreement, failure in the Recipient's duty to provide the supportive housing for the minimum term in accordance with the requirements of Attachment A, noncompliance with the Act or Attachment A provisions, any other material breach of the Grant Agreement, or misrepresentations in the application submissions which, if known by HUD, would have resulted in this grant not being provided. Upon due notice to the Recipient of the occurrence of any such default and the provision of a reasonable opportunity to respond, HUD may take one or more of the following actions:

(a) direct the Recipient to submit progress schedules for completing approved activities; or

(b) issue a letter of warning advising the Recipient of the default, establishing a date by which corrective actions must be completed and putting the Recipient on notice that more serious actions will be taken if the default is not corrected or is repeated; or

(c) direct the Recipient to establish and maintain a management plan that assigns responsibilities for carrying out remedial actions; or

(d) direct the Recipient to suspend, discontinue or not incur costs for the affected activity; or

(e) reduce or recapture the grant; or

(f) direct the Recipient to reimburse the program accounts for costs inappropriately charged to the program; or

(g) continue the grant with a substitute recipient of HUD's choosing; or

(h) other appropriate action including, but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions and any other available remedies.

No delay or omission by HUD in exercising any right or remedy available to it under this Grant Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any Recipient default.

For each operating year in which funding is received, the Recipient shall file annual certifications with HUD that the supportive housing has been provided in accordance with the requirements of the Grant Agreement.

This Grant Agreement constitutes the entire agreement between the parties hereto, and may be amended only in writing executed by HUD and the Recipient. More specifically, the Recipient shall not change recipients, location, services, or population to be served nor shift more than 10 percent of funds from one approved type of activity to another, or make any other significant change, without the prior written approval of HUD.

SIGNATURES

This Grant Agreement is hereby executed as follows:

UNITED STATES OF AMERICA
Secretary of Housing and Urban Development

By:

 4/11/03

Signature and Date

Robert G. Iltis, Acting Director, Office of Community Planning and Development

RECIPIENT

Los Angeles County-Dept. of Children and Family Services

By:

Signature and Date

David Sanders, PhD

Director

Official Contact Person and Telephone No.

[Code of Federal Regulations]
 [Title 24, Volume 3]
 [Revised as of April 1, 2002]
 From the U.S. Government Printing Office via GPO Access
 [CITE: 24CFR583]

[Page 248-249]

TITLE 24--HOUSING AND URBAN DEVELOPMENT

CHAPTER V--OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PART 583--SUPPORTIVE HOUSING PROGRAM--Table of Contents

Subpart A--General

Sec. 583.1 Purpose and scope.

(a) General. The Supportive Housing Program is authorized by title IV of the Stewart B. McKinney Homeless Assistance Act (the McKinney Act) (42 U.S.C. 11381-11389). The Supportive Housing program is designed to promote the development of supportive housing and supportive services, including innovative approaches to assist homeless persons in the transition from homelessness, and to promote the provision of supportive housing to homeless persons to enable them to live as independently as possible.

(b) Components. Funds under this part may be used for:

- (1) Transitional housing to facilitate the movement of homeless individuals and families to permanent housing;
- (2) Permanent housing that provides long-term housing for homeless persons with disabilities;
- (3) Housing that is, or is part of, a particularly innovative project for, or alternative methods of, meeting the immediate and long-term needs of homeless persons; or
- (4) Supportive services for homeless persons not provided in conjunction with supportive housing.

[58 FR 13671, Mar. 15, 1993, as amended at 61 FR 51175, Sept. 30, 1996]

Sec. 583.5 Definitions.

As used in this part:

Applicant is defined in section 422(1) of the McKinney Act (42 U.S.C. 11382(1)). For purposes of this definition, governmental entities include those that have general governmental powers (such as a city or county), as well as those that have limited or special powers (such as public housing agencies).

Consolidated plan means the plan that a jurisdiction prepares and submits to HUD in accordance with 24 CFR part 91.

Date of initial occupancy means the date that the supportive housing is initially occupied by a homeless person for whom HUD provides assistance under this part. If the assistance is for an existing homeless facility, the date of initial occupancy is the date that services are first provided to the residents of supportive housing with funding under this part.

Date of initial service provision means the date that supportive services are initially provided with funds under this part to homeless persons who do not reside in supportive housing. This definition applies only to projects funded under this part that do not provide supportive housing.

Disability is defined in section 422(2) of the McKinney Act (42 U.S.C. 11382(2)).

Homeless person means an individual or family that is described in section 103 of the McKinney Act (42 U.S.C. 11302).

Metropolitan city is defined in section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)). In general, metropolitan cities are those cities that are eligible for an entitlement grant under 24 CFR part 570, subpart D.

New construction means the building of a structure where none existed or an addition to an existing structure that increases the floor area by more than 100 percent.

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Operating costs is defined in section 422(5) of the McKinney Act (42 U.S.C. 11382(5)).

Outpatient health services is defined in section 422(6) of the McKinney Act (42 U.S.C. 11382(6)).

Permanent housing for homeless persons with disabilities is defined in section 424(c) of the McKinney Act (42 U.S.C. 11384(c)).

Private nonprofit organization is defined in section 422(7) (A), (B), and (D) of the McKinney Act (42 U.S.C. 11382(7) (A), (B), and (D)). The organization must also have a functioning accounting system that is operated in accordance with generally accepted accounting principles, or designate an entity that will maintain a functioning accounting system for the organization in accordance with generally accepted accounting principles.

Project is defined in sections 422(8) and 424(d) of the McKinney Act (42 U.S.C. 11382(8), 11384(d)).

Recipient is defined in section 422(9) of the McKinney Act (42 U.S.C. 11382(9)).

Rehabilitation means the improvement or repair of an existing structure or an addition to an existing structure that does not increase the floor area by more than 100 percent. Rehabilitation does not include minor or routine repairs.

State is defined in section 422(11) of the McKinney Act (42 U.S.C. 11382(11)).

Supportive housing is defined in section 424(a) of the McKinney Act (42 U.S.C. 11384(a)).

Supportive services is defined in section 425 of the McKinney Act (42 U.S.C. 11385).

Transitional housing is defined in section 424(b) of the McKinney Act (42 U.S.C. 11384(b)). See also Sec. 583.300(j).

Tribe is defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

Urban county is defined in section 102(a)(6) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(6)). In general, urban counties are those counties that are eligible for an entitlement grant under 24 CFR part 570, subpart D.

[61 FR 51175, Sept. 30, 1996]

[Code of Federal Regulations]
[Title 24, Volume 3]
[Revised as of April 1, 2002]
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[Page 249-254]

TITLE 24--HOUSING AND URBAN DEVELOPMENT

CHAPTER V--OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PART 583--SUPPORTIVE HOUSING PROGRAM--Table of Contents

Subpart B--Assistance Provided

Sec. 583.100 Types and uses of assistance.

(a) Grant assistance. Assistance in the form of grants is available for acquisition of structures, rehabilitation of structures, acquisition and rehabilitation of structures, new construction, leasing, operating costs for supportive housing, and supportive services, as described in Secs. 583.105 through 583.125. Applicants may apply for more than one type of assistance.

(b) Uses of grant assistance. Grant assistance may be used to:

(1) Establish new supportive housing facilities or new facilities to provide supportive services;

(2) Expand existing facilities in order to increase the number of homeless persons served;

(3) Bring existing facilities up to a level that meets State and local government health and safety standards;

(4) Provide additional supportive services for residents of supportive housing or for homeless persons not residing in supportive housing;

(5) Purchase HUD-owned single family properties currently leased by the applicant for use as a homeless facility under 24 CFR part 291; and

(6) Continue funding supportive housing where the recipient has received funding under this part for leasing, supportive services, or operating costs.

(c) Structures used for multiple purposes. Structures used to provide supportive housing or supportive services may also be used for other purposes, except that assistance under this part will be available only in proportion to the use of the structure for supportive housing or supportive services.

(d) Technical assistance. HUD may offer technical assistance, as described in Sec. 583.140.

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 36891, July 19, 1994]

Sec. 583.105 Grants for acquisition and rehabilitation.

(a) Use. HUD will grant funds to recipients to:

(1) Pay a portion of the cost of the acquisition of real property selected by the recipients for use in the provision of supportive housing or supportive services, including the repayment of

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any outstanding debt on a loan made to purchase property that has not been used previously as supportive housing or for supportive services;

(2) Pay a portion of the cost of rehabilitation of structures, including cost-effective energy measures, selected by the recipients to provide supportive housing or supportive services; or

(3) Pay a portion of the cost of acquisition and rehabilitation of

structures, as described in paragraphs (a)(1) and (2) of this section.

(b) Amount. The maximum grant available for acquisition, rehabilitation, or acquisition and rehabilitation is the lower of:

(1) \$200,000; or

(2) The total cost of the acquisition, rehabilitation, or acquisition and rehabilitation minus the applicant's contribution toward the cost.

(c) Increased amounts. In areas determined by HUD to have high acquisition and rehabilitation costs, grants of more than \$200,000, but not more than \$400,000, may be available.

Sec. 583.110 Grants for new construction.

(a) Use. HUD will grant funds to recipients to pay a portion of the cost of new construction, including cost-effective energy measures and the cost of land associated with that construction, for use in the provision of supportive housing. If the grant funds are used for new construction, the applicant must demonstrate that the costs associated with new construction are substantially less than the costs associated with rehabilitation or that there is a lack of available appropriate units that could be rehabilitated at a cost less than new construction. For purposes of this cost comparison, costs associated with rehabilitation or new construction may include the cost of real property acquisition.

(b) Amount. The maximum grant available for new construction is the lower of:

(1) \$400,000; or

(2) The total cost of the new construction, including the cost of land associated with that construction, minus the applicant's contribution toward the cost of same.

Sec. 583.115 Grants for leasing.

(a) General. HUD will provide grants to pay (as described in Sec. 583.130 of this part) for the actual costs of leasing a structure or structures, or portions thereof, used to provide supportive housing or supportive services for up to five years.

(b)(1) Leasing structures. Where grants are used to pay rent for all or part of structures, the rent paid must be reasonable in relation to rents being charged in the area for comparable space. In addition, the rent paid may not exceed rents currently being charged by the same owner for comparable space.

(2) Leasing individual units. Where grants are used to pay rent for individual housing units, the rent paid must be reasonable in relation to rents being charged for comparable units, taking into account the location, size, type, quality, amenities, facilities, and management services. In addition, the rents may not exceed rents currently being charged by the same owner for comparable unassisted units, and the portion of rents paid with grant funds may not exceed HUD-determined fair market rents. Recipients may use grant funds in an amount up to one month's rent to pay the non-recipient landlord for any damages to leased units by homeless participants.

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 36891, July 19, 1994]

Sec. 583.120 Grants for supportive services costs.

(a) General. HUD will provide grants to pay (as described in Sec. 583.130 of this part) for the actual costs of supportive services for homeless persons for up to five years. All or part of the supportive services may be provided directly by the recipient or by arrangement with public or private service providers.

(b) Supportive services costs. Costs associated with providing supportive services include salaries paid to providers of supportive services and any other costs directly associated with providing such

services. For a transitional housing project, supportive services costs also include the costs of services provided to former residents of

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transitional housing to assist their adjustment to independent living. Such services may be provided for up to six months after they leave the transitional housing facility.

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 36891, July 19, 1994]

Sec. 583.125 Grants for operating costs.

(a) General. HUD will provide grants to pay a portion (as described in Sec. 583.130) of the actual operating costs of supportive housing for up to five years.

(b) Operating costs. Operating costs are those associated with the day-to-day operation of the supportive housing. They also include the actual expenses that a recipient incurs for conducting on-going assessments of the supportive services needed by residents and the availability of such services; relocation assistance under Sec. 583.310, including payments and services; and insurance.

(c) Recipient match requirement for operating costs. Assistance for operating costs will be available for up to 75 percent of the total cost in each year of the grant term. The recipient must pay the percentage of the actual operating costs not funded by HUD. At the end of each operating year, the recipient must demonstrate that it has met its match requirement of the costs for that year.

[58 FR 13871, Mar. 15, 1993, as amended at 61 FR 51175, Sept. 30, 1996; 65 FR 30823, May 12, 2000]

Sec. 583.130 Commitment of grant amounts for leasing, supportive services, and operating costs.

Upon execution of a grant agreement covering assistance for leasing, supportive services, or operating costs, HUD will obligate amounts for a period not to exceed five operating years. The total amount obligated will be equal to an amount necessary for the specified years of operation, less the recipient's share of operating costs.

(Approved by the Office of Management and Budget under OMB control number 2506-0112)

[59 FR 36891, July 19, 1994]

Sec. 583.135 Administrative costs.

(a) General. Up to five percent of any grant awarded under this part may be used for the purpose of paying costs of administering the assistance.

(b) Administrative costs. Administrative costs include the costs associated with accounting for the use of grant funds, preparing reports for submission to HUD, obtaining program audits, similar costs related to administering the grant after the award, and staff salaries associated with these administrative costs. They do not include the costs of carrying out eligible activities under Secs. 583.105 through 583.125.

[58 FR 13871, Mar. 15, 1993, as amended at 61 FR 51175, Sept. 30, 1996]

Sec. 583.140 Technical assistance.

(a) General. HUD may set aside funds annually to provide technical assistance, either directly by HUD staff or indirectly through third-

party providers, for any supportive housing project. This technical assistance is for the purpose of promoting the development of supportive housing and supportive services as part of a continuum of care approach, including innovative approaches to assist homeless persons in the transition from homelessness, and promoting the provision of supportive housing to homeless persons to enable them to live as independently as possible.

(b) Uses of technical assistance. HUD may use these funds to provide technical assistance to prospective applicants, applicants, recipients, or other providers of supportive housing or services for homeless persons, for supportive housing projects. The assistance may include, but is not limited to, written information such as papers, monographs, manuals, guides, and brochures; person-to-person exchanges; and training and related costs.

(c) Selection of providers. From time to time, as HUD determines the need, HUD may advertise and competitively select providers to deliver technical assistance. HUD may enter into contracts, grants, or cooperative agreements, when necessary, to implement the technical assistance.

[59 FR 36892, July 19, 1994]

Sec. 583.145 Matching requirements.

(a) General. The recipient must match the funds provided by HUD for

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grants for acquisition, rehabilitation, and new construction with an equal amount of funds from other sources.

(b) Cash resources. The matching funds must be cash resources provided to the project by one or more of the following: the recipient, the Federal government, State and local governments, and private resources.

(c) Maintenance of effort. State or local government funds used in the matching contribution are subject to the maintenance of effort requirements described at Sec. 583.150(a).

Sec. 583.150 Limitations on use of assistance.

(a) Maintenance of effort. No assistance provided under this part (or any State or local government funds used to supplement this assistance) may be used to replace State or local funds previously used, or designated for use, to assist homeless persons.

(b) Primarily religious organizations-- (1) Provision of assistance. (i) HUD will provide assistance to a recipient that is a primarily religious organization if the organization agrees to provide housing and supportive services in a manner that is free from religious influences and in accordance with the following principles:

(A) It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;

(B) It will not discriminate against any person applying for housing or supportive services on the basis of religion and will not limit such housing or services or give preference to persons on the basis of religion;

(C) It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of housing and supportive services.

(ii) HUD will provide assistance to a recipient that is a primarily religious organization if the assistance will not be used by the organization to construct a structure, acquire a structure or to rehabilitate a structure owned by the organization, except as described in paragraph (c) (2) of this section.

(2) Rehabilitation of structures owned by a primarily religious organization. Rehabilitation grants may be used to rehabilitate a structure owned by a primarily religious organization, if the following conditions are met:

(i) The structure (or portion of the structure) that is to be rehabilitated with HUD assistance has been leased to a recipient that is an existing or newly established wholly secular organization (which may be established by the primarily religious organization under the provisions of paragraph (c)(3) of this section);

(ii) The HUD assistance is provided to the wholly secular organization (and not the primarily religious organization) to make the improvements;

(iii) The leased structure will be used exclusively for secular purposes available to all persons regardless of religion;

(iv) The lease payments paid to the primarily religious organization do not exceed the fair market rent of the structure before the rehabilitation was done;

(v) The portion of the cost of any improvements that benefit any unleased portion of the structure will be allocated to, and paid for by, the primarily religious organization;

(vi) The primarily religious organization agrees that, if the recipient does not retain the use of the leased premises for wholly secular purposes for the useful life of the improvements, the primarily religious organization will pay an amount equal to the residual value of the improvements to the secular organization, and the secular organization will remit the amount to HUD.

(3) Assistance to a wholly secular private nonprofit organization established by a primarily religious organization. (i) A primarily religious organization may establish a wholly secular private nonprofit organization to serve as a recipient. The wholly secular organization may be eligible to receive other forms of assistance available under this part.

(A) The wholly secular organization must agree to provide housing and supportive services in a manner that is free from religious influences and in accordance with the principles set

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forth in paragraph (c)(1)(i) of this section.

(B) The wholly secular organization may enter into a contract with the primarily religious organization to operate the supportive housing or to provide supportive services for the residents. In such a case, the primarily religious organization must agree in the contract to carry out its contractual responsibilities in a manner free from religious influences and in accordance with the principles set forth in paragraph (c)(1)(i) of this section.

(C) The rehabilitation grants are subject to the requirements of paragraph (c)(2) of this section.

(ii) HUD will not require the primarily religious organization to establish the wholly secular organization before the selection of its application. In such a case, the primarily religious organization may apply on behalf of the wholly secular organization. The application will be reviewed on the basis of the primarily religious organization's financial responsibility and capacity, and its commitment to provide appropriate resources to the wholly secular organization after formation. The requirement with regard to site control, described in Sec. 583.320, may be satisfied if the primarily religious organization demonstrates site control and a commitment to transfer control of the site to the wholly secular organization after its formation. If such an application is selected for funding, the obligation of funds will be conditioned upon the establishment of a wholly secular organization that meets the definition of private nonprofit organization in Sec. 583.5.

(c) Participant control of site. Where an applicant does not propose to have control of a site or sites but rather proposes to assist a homeless family or individual in obtaining a lease, which may include

assistance with rent payments and receiving supportive services, after which time the family or individual remains in the same housing without further assistance under this part, that applicant may not request assistance for acquisition, rehabilitation, or new construction.

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 36892, July 19, 1993]

Sec. 583.155 Consolidated plan.

(a) Applicants that are States or units of general local government. The applicant must have a HUD-approved complete or abbreviated consolidated plan, in accordance with 24 CFR part 91, and must submit a certification that the application for funding is consistent with the HUD-approved consolidated plan. Funded applicants must certify in a grant agreement that they are following the HUD-approved consolidated plan.

(b) Applicants that are not States or units of general local government. The applicant must submit a certification by the jurisdiction in which the proposed project will be located that the applicant's application for funding is consistent with the jurisdiction's HUD-approved consolidated plan. The certification must be made by the unit of general local government or the State, in accordance with the consistency certification provisions of the consolidated plan regulations, 24 CFR part 91, subpart F.

(c) Indian tribes and the Insular Areas of Guam, the U.S. Virgin Islands, American Samoa, and the Northern Mariana Islands. These entities are not required to have a consolidated plan or to make consolidated plan certifications. An application by an Indian tribe or other applicant for a project that will be located on a reservation of an Indian tribe will not require a certification by the tribe or the State. However, where an Indian tribe is the applicant for a project that will not be located on a reservation, the requirement for a certification under paragraph (b) of this section will apply.

(d) Timing of consolidated plan certification submissions. Unless otherwise set forth in the NOFA, the required certification that the application for funding is consistent with the HUD-approved consolidated plan must be submitted

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by the funding application submission deadline announced in the NOFA.

[60 FR 16380, Mar. 30, 1995]

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TITLE 24--HOUSING AND URBAN DEVELOPMENT

CHAPTER V--OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND
DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PART 583--SUPPORTIVE HOUSING PROGRAM--Table of Contents

Subpart C--Application and Grant Award Process

Sec. 583.200 Application and grant award.

When funds are made available for assistance, HUD will publish a notice of funding availability (NOFA) in the Federal Register, in accordance with the requirements of 24 CFR part 4. HUD will review and screen applications in accordance with the requirements in section 423 of the McKinney Act (42 U.S.C. 11386) and the guidelines, rating criteria, and procedures published in the NOFA.

[61 FR 51176, Sept. 30, 1996]

Sec. 583.230 Environmental review.

(a) Generally. Project selection is subject to completion of an environmental review of the proposed site, and the project may be modified or the site rejected as a result of that review. The environmental effects must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 432C) (NEPA) and the related environmental laws and authorities listed in HUD's implementing regulations at 24 CFR part 50 or 58, depending on who is responsible for environmental review.

(b) Environmental review by HUD. HUD will perform an environmental review, in accordance with part 50 of this title, before approval of conditionally selected applications received directly from private nonprofit organizations and governmental entities with special or limited purpose powers. Any application subject to environmental review by HUD that requires an Environmental Impact Statement (EIS) in accordance with the procedures in 24 CFR part 50, subpart E, will not be eligible for assistance under this part.

(c) Environmental review by applicants. Applicants that are States metropolitan cities, urban counties, tribes, or other governmental entities with general purpose powers must assume responsibility for environmental review, decisionmaking, and action for each application for assistance in accordance with part 58 of this title. These applicants must include in their applications an assurance that they will assume all the environmental review responsibility that would otherwise be performed by HUD as the responsible Federal official under NEPA and related authorities listed in 24 CFR part 58. The grant award is subject to completion of the environmental responsibilities set out in 24 CFR part 58 within a reasonable time period after notification of the award. Applicants may, however, enclose an environmental certification and Request for Release of Funds with their applications.

[61 FR 51176, Sept. 30, 1996]

Sec. 583.235 Renewal grants.

(a) General. Grants made under this part, and grants made under

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subtitles C and D (the Supportive Housing Demonstration and SAFAH, respectively) of the Stewart B. McKinney Homeless Assistance Act as in effect before October 28, 1992, may be renewed on a noncompetitive basis to continue ongoing leasing, operations, and supportive services for additional years beyond the initial funding period. To be considered for renewal funding for leasing, operating costs, or supportive services, recipients must submit a request for such funding in the form specified by HUD, must meet the requirements of this part, and must submit requests within the time period established by HUD.

(b) Assistance available. The first renewal will be for a period of time not to exceed the difference between the end of the initial funding period and ten years from the date of initial occupancy or the date of initial service provision, as applicable. Any subsequent renewal will be for a period of time not to exceed five years. Assistance during each year of the renewal period, subject to maintenance of effort requirements under Sec. 583.150(a) may be for:

- (1) Up to 50 percent of the actual operating and leasing costs in the final year of the initial funding period;
- (2) Up to the amount of HUD assistance for supportive services in the final year of the initial funding period; and
- (3) An allowance for cost increases.

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(c) HUD review. (1) HUD will review the request for renewal and will evaluate the recipient's performance in previous years against the plans and goals established in the initial application for assistance, as amended. HUD will approve the request for renewal unless the recipient proposes to serve a population that is not homeless, or the recipient has not shown adequate progress as evidenced by an unacceptably slow expenditure of funds, or the recipient has been unsuccessful in assisting participants in achieving and maintaining independent living. In determining the recipient's success in assisting participants to achieve and maintain independent living, consideration will be given to the level and type of problems of participants. For recipients with a poor record of success, HUD will also consider the recipient's willingness to accept technical assistance and to make changes suggested by technical assistance providers. Other factors which will affect HUD's decision to approve a renewal request include the following: a continuing history of inadequate financial management accounting practices, indications of mismanagement on the part of the recipient, a drastic reduction in the population served by the recipient, program changes made by the recipient without prior HUD approval, and loss of project site.

(2) HUD reserves the right to reject a request from any organization with an outstanding obligation to HUD that is in arrears or for which a payment schedule has not been agreed to, or whose response to an audit finding is overdue or unsatisfactory.

(3) HUD will notify the recipient in writing that the request has been approved or disapproved.

(Approved by the Office of Management and Budget under control number 2506-0112)

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TITLE 24--HOUSING AND URBAN DEVELOPMENT

CHAPTER V--OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND
DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PART 581--SUPPORTIVE HOUSING PROGRAM--Table of Contents

Subpart D--Program Requirements

Sec. 581.300 General operation.

(a) State and local requirements. Each recipient of assistance under this part must provide housing or services that are in compliance with all applicable State and local housing codes, licensing requirements, and any other requirements in the jurisdiction in which the project is located regarding the condition of the structure and the operation of the housing or services.

(b) Habitability standards. Except for such variations as are proposed by the recipient and approved by HUD, supportive housing must meet the following requirements:

(1) Structure and materials. The structures must be structurally sound so as not to pose any threat to the health and safety of the occupants and so as to protect the residents from the elements.

(2) Access. The housing must be accessible and capable of being utilized without unauthorized use of other private properties. Structures must provide alternate means of egress in case of fire.

(3) Space and security. Each resident must be afforded adequate space and security for themselves and their belongings. Each resident must be provided an acceptable place to sleep.

(4) Interior air quality. Every room or space must be provided with natural or mechanical ventilation. Structures must be free of pollutants in the air at levels that threaten the health of residents.

(5) Water supply. The water supply must be free from contamination.

(6) Sanitary facilities. Residents must have access to sufficient sanitary facilities that are in proper operating condition, may be used in privacy, and are adequate for personal cleanliness and the disposal of human waste.

(7) Thermal environment. The housing must have adequate heating and/or cooling facilities in proper operating condition.

(8) Illumination and electricity. The housing must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of residents. Sufficient electrical sources must be provided to permit use of essential electrical appliances while assuring safety from fire.

(9) Food preparation and refuse disposal. All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a sanitary manner.

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(10) Sanitary condition. The housing and any equipment must be maintained in sanitary condition.

(11) Fire safety. (i) Each unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors must be located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing-impaired persons, smoke detectors must have an alarm

system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.

(ii) The public areas of all housing must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas.

(c) Meals. Each recipient of assistance under this part who provides supportive housing for homeless persons with disabilities must provide meals or meal preparation facilities for residents.

(d) Ongoing assessment of supportive services. Each recipient of assistance under this part must conduct an ongoing assessment of the supportive services required by the residents of the project and the availability of such services, and make adjustments as appropriate.

(e) Residential supervision. Each recipient of assistance under this part must provide residential supervision as necessary to facilitate the adequate provision of supportive services to the residents of the housing throughout the term of the commitment to operate supportive housing. Residential supervision may include the employment of a full- or part-time residential supervisor with sufficient knowledge to provide or to supervise the provision of supportive services to the residents.

(f) Participation of homeless persons. (1) Each recipient must provide for the participation of homeless persons as required in section 426(g) of the McKinney Act (42 U.S.C. 11386(g)). This requirement is waived if an applicant is unable to meet it and presents a plan for HUD approval to otherwise consult with homeless or formerly homeless persons in considering and making policies and decisions. See also Sec. 583.330(e).

(2) Each recipient of assistance under this part must, to the maximum extent practicable, involve homeless individuals and families, through employment, volunteer services, or otherwise, in constructing, rehabilitating, maintaining, and operating the project and in providing supportive services for the project.

(g) Records and reports. Each recipient of assistance under this part must keep any records and make any reports (including those pertaining to race, ethnicity, gender, and disability status data) that HUD may require within the timeframe required.

(h) Confidentiality. Each recipient that provides family violence prevention or treatment services must develop and implement procedures to ensure:

(1) The confidentiality of records pertaining to any individual services; and

(2) That the address or location of any project assisted will not be made public, except with written authorization of the person or persons responsible for the operation of the project.

(i) Termination of housing assistance. The recipient may terminate assistance to a participant who violates program requirements. Recipients should terminate assistance only in the most severe cases. Recipients may resume assistance to a participant whose assistance was previously terminated. In terminating assistance to a participant, the recipient must provide a formal process that recognizes the rights of individuals receiving assistance to due process of law. This process, at a minimum, must consist of:

(1) Written notice to the participant containing a clear statement of the reasons for termination;

(2) A review of the decision, in which the participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and

(3) Prompt written notice of the final decision to the participant.

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(j) Limitation of stay in transitional housing. A homeless individual or family may remain in transitional housing for a period

longer than 24 months, if permanent housing for the individual or family has not been located or if the individual or family requires additional time to prepare for independent living. However, HUD may discontinue assistance for a transitional housing project if more than half of the homeless individuals or families remain in that project longer than 24 months.

(k) Outpatient health services. Outpatient health services provided by the recipient must be approved as appropriate by HUD and the Department of Health and Human Services (HHS). Upon receipt of an application that proposes the provision of outpatient health services, HUD will consult with HHS with respect to the appropriateness of the proposed services.

(l) Annual assurances. Recipients who receive assistance only for leasing, operating costs or supportive services costs must provide an annual assurance for each year such assistance is received that the project will be operated for the purpose specified in the application.

(Approved by the Office of Management and Budget under control number 2506-0112)

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 36892, July 19, 1994; 61 FR 51176, Sept. 30, 1996]

Sec. 583.305 Term of commitment; repayment of grants; prevention of undue benefits.

(a) Term of commitment and conversion. Recipients must agree to operate the housing or provide supportive services in accordance with this part and with sections 423 (b) (1) and (b) (3) of the McKinney Act (42 U.S.C. 11383(b) (1), 11383(b) (3)).

(b) Repayment of grant and prevention of undue benefits. In accordance with section 423(c) of the McKinney Act (42 U.S.C. 11383(c)), HUD will require recipients to repay the grant unless HUD has authorized conversion of the project under section 423(b) (3) of the McKinney Act (42 U.S.C. 11383(b) (3)).

[61 FR 51176, Sept. 30, 1996]

Sec. 583.310 Displacement, relocation, and acquisition.

(a) Minimizing displacement. Consistent with the other goals and objectives of this part, recipients must assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of supportive housing assisted under this part.

(b) Relocation assistance for displaced persons. A displaced person (defined in paragraph (f) of this section) must be provided relocation assistance at the levels described in, and in accordance with, the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR part 24.

(c) Real property acquisition requirements. The acquisition of real property for supportive housing is subject to the URA and the requirements described in 49 CFR part 24, subpart B.

(d) Responsibility of recipient. (1) The recipient must certify (i.e., provide assurance of compliance) that it will comply with the URA, the regulations at 49 CFR part 24, and the requirements of this section, and must ensure such compliance notwithstanding any third party's contractual obligation to the recipient to comply with these provisions.

(2) The cost of required relocation assistance is an eligible project cost in the same manner and to the same extent as other project costs. Such costs also may be paid for with local public funds or funds available from other sources.

(3) The recipient must maintain records in sufficient detail to

demonstrate compliance with provisions of this section.

(e) Appeals. A person who disagrees with the recipient's determination concerning whether the person qualifies as a "displaced person," or the amount of relocation assistance for which the person is eligible, may file a written appeal of that determination with the recipient. A low-income person who is dissatisfied with the recipient's determination on his or her appeal may submit a written request for review of that determination to the HUD field office.

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(f) Definition of displaced person. (1) For purposes of this section, the term "displaced person" means a person (family, individual, business, nonprofit organization, or farm) that moves from real property, or moves personal property from real property permanently as a direct result of acquisition, rehabilitation, or demolition for supportive housing projects assisted under this part. The term "displaced person" includes, but may not be limited to:

(i) A person that moves permanently from the real property after the property owner (or person in control of the site) issues a vacate notice, or refuses to renew an expiring lease in order to evade the responsibility to provide relocation assistance, if the move occurs on or after the date the recipient submits to HUD the application or application amendment designating the project site.

(ii) Any person, including a person who moves before the date described in paragraph (f)(1)(i) of this section, if the recipient or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the assisted project.

(iii) A tenant-occupant of a dwelling unit who moves permanently from the building/complex on or after the date of the "initiation of negotiations" (see paragraph (g) of this section) if the move occurs before the tenant has been provided written notice offering him or her the opportunity to lease and occupy a suitable, decent, safe and sanitary dwelling in the same building/complex, under reasonable terms and conditions, upon completion of the project. Such reasonable terms and conditions must include a monthly rent and estimated average monthly utility costs that do not exceed the greater of:

(A) The tenant's monthly rent before the initiation of negotiations and estimated average utility costs, or

(B) 30 percent of gross household income. If the initial rent is at or near the maximum, there must be a reasonable basis for concluding at the time the project is initiated that future rent increases will be modest.

(iv) A tenant of a dwelling who is required to relocate temporarily, but does not return to the building/complex, if either:

(A) A tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, or

(B) Other conditions of the temporary relocation are not reasonable.

(v) A tenant of a dwelling who moves from the building/complex permanently after he or she has been required to move to another unit in the same building/complex, if either:

(A) The tenant is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move; or

(B) Other conditions of the move are not reasonable.

(2) Notwithstanding the provisions of paragraph (f)(1) of this section, a person does not qualify as a "displaced person" (and is not eligible for relocation assistance under the URA or this section), if:

(i) The person has been evicted for serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable Federal, State, or local or tribal law, or other good cause, and HUD determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance;

(ii) The person moved into the property after the submission of the application and, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the

person (e.g., the person may be displaced, temporarily relocated, or suffer a rent increase) and the fact that the person would not qualify as a "displaced person" (or for any assistance provided under this section), if the project is approved;

(iii) The person is ineligible under 49 CFR 24.2(g)(2); or

(iv) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

(3) The recipient may request, at any time, HUD's determination of whether a displacement is or would be covered under this section.

(g) Definition of initiation of negotiations. For purposes of determining the

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formula for computing the replacement housing assistance to be provided to a residential tenant displaced as a direct result of privately undertaken rehabilitation, demolition, or acquisition of the real property, the term "initiation of negotiations" means the execution of the agreement between the recipient and HUD.

(h) Definition of project. For purposes of this section, the term "project" means an undertaking paid for in whole or in part with assistance under this part. Two or more activities that are integrally related, each essential to the others, are considered a single project, whether or not all component activities receive assistance under this part.

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 36892, July 19, 1994]

Sec. 583.315 Resident rent.

(a) Calculation of resident rent. Each resident of supportive housing may be required to pay as rent an amount determined by the recipient which may not exceed the highest of:

(1) 30 percent of the family's monthly adjusted income (adjustment factors include the number of people in the family, age of family members, medical expenses and child care expenses). The calculation of the family's monthly adjusted income must include the expense deductions provided in 24 CFR 5.611(a), and for persons with disabilities, the calculation of the family's monthly adjusted income also must include the disallowance of earned income as provided in 24 CFR 5.617, if applicable;

(2) 10 percent of the family's monthly gross income; or

(3) If the family is receiving payments for welfare assistance from a public agency and a part of the payments, adjusted in accordance with the family's actual housing costs, is specifically designated by the agency to meet the family's housing costs, the portion of the payment that is designated for housing costs.

(b) Use of rent. Resident rent may be used in the operation of the project or may be reserved, in whole or in part, to assist residents of transitional housing in moving to permanent housing.

(c) Fees. In addition to resident rent, recipients may charge residents reasonable fees for services not paid with grant funds.

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 36892, July 19, 1994; 66 FR 6225, Jan. 19, 2001]

Sec. 583.320 Site control.

(a) Site control. (1) Where grant funds will be used for acquisition, rehabilitation, or new construction to provide supportive housing or supportive services, or where grant funds will be used for operating costs of supportive housing, or where grant funds will be used to provide supportive services except where an applicant will provide services at sites not operated by the applicant, an applicant must demonstrate site control before HUD will execute a grant agreement

(e.g., through a deed, lease, executed contract of sale). If such site control is not demonstrated within one year after initial notification of the award of assistance under this part, the grant will be deobligated as provided in paragraph (c) of this section.

(2) Where grant funds will be used to lease all or part of a structure to provide supportive housing or supportive services, or where grant funds will be used to lease individual housing units for homeless persons who will eventually control the units, site control need not be demonstrated.

(b) Site change. (1) A recipient may obtain ownership or control of a suitable site different from the one specified in its application. Retention of an assistance award is subject to the new site's meeting all requirements under this part for suitable sites.

(2) If the acquisition, rehabilitation, acquisition and rehabilitation, or new construction costs for the substitute site are greater than the amount of the grant awarded for the site specified in the application, the recipient must provide for all additional costs. If the recipient is unable to demonstrate to HUD that it is able to provide for the difference in costs, HUD may deobligate the award of assistance.

(c) Failure to obtain site control within one year. HUD will recapture or deobligate any award for assistance under this part if the recipient is not in

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control of a suitable site before the expiration of one year after initial notification of an award.

Sec. 583.325 Nondiscrimination and equal opportunity requirements.

(a) General. Notwithstanding the permissibility of proposals that serve designated populations of disabled homeless persons, recipients serving a designated population of disabled homeless persons are required, within the designated population, to comply with these requirements for nondiscrimination on the basis of race, color, religion, sex, national origin, age, familial status, and disability.

(b) Nondiscrimination and equal opportunity requirements. The nondiscrimination and equal opportunity requirements set forth at part 5 of this title apply to this program. The Indian Civil Rights Act (25 U.S.C. 1301 et seq.) applies to tribes when they exercise their powers of self-government, and to Indian housing authorities (IHAs) when established by the exercise of such powers. When an IHA is established under State law, the applicability of the Indian Civil Rights Act will be determined on a case-by-case basis. Projects subject to the Indian Civil Rights Act must be developed and operated in compliance with its provisions and all implementing HUD requirements, instead of title VI and the Fair Housing Act and their implementing regulations.

(c) Procedures. (1) If the procedures that the recipient intends to use to make known the availability of the supportive housing are unlikely to reach persons of any particular race, color, religion, sex, age, national origin, familial status, or handicap who may qualify for admission to the housing, the recipient must establish additional procedures that will ensure that such persons can obtain information concerning availability of the housing.

(2) The recipient must adopt procedures to make available information on the existence and locations of facilities and services that are accessible to persons with a handicap and maintain evidence of implementation of the procedures.

(d) Accessibility requirements. The recipient must comply with the new construction accessibility requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973, and the reasonable accommodation and rehabilitation accessibility requirements of section 504 as follows:

(1) All new construction must meet the accessibility requirements of 24 CFR 8.22 and, as applicable, 24 CFR 100.205.

(2) Projects in which costs of rehabilitation are 75 percent or more of the replacement cost of the building must meet the requirements of 24 CFR 8.23(a). Other rehabilitation must meet the requirements of 24 CFR 8.23(b).

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 33894, June 30, 1994; 61 FR 5210, Feb. 9, 1996; 61 FR 51176, Sept. 30, 1996]

Sec. 583.330 Applicability of other Federal requirements.

In addition to the requirements set forth in 24 CFR part 5, use of assistance provided under this part must comply with the following Federal requirements:

(a) Flood insurance. (1) The Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128) prohibits the approval of applications for assistance for acquisition or construction (including rehabilitation) for supportive housing located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

(i) The community in which the area is situated is participating in the National Flood Insurance Program (see 44 CFR parts 59 through 79), or less than a year has passed since FEMA notification regarding such hazards; and

(ii) Flood insurance is obtained as a condition of approval of the application.

(2) Applicants with supportive housing located in an area identified by FEMA as having special flood hazards and receiving assistance for acquisition or construction (including rehabilitation) are responsible for assuring that flood insurance under the National Flood Insurance Program is obtained and maintained.

(b) The Coastal Barrier Resources Act of 1982 (16 U.S.C. 3501 et seq.) may apply to proposals under this part, depending on the assistance requested.

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(c) Applicability of OMB Circulars. The policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles Applicable to Grants, Contracts and Other Agreements with State and Local Governments) and 24 CFR part 85 apply to the award, acceptance, and use of assistance under the program by governmental entities, and OMB Circular Nos. A-110 (Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations) and A-122 (Cost Principles Applicable to Grants, Contracts and Other Agreements with Nonprofit Institutions) apply to the acceptance and use of assistance by private nonprofit organizations, except where inconsistent with the provisions of the McKinney Act, other Federal statutes, or this part. (Copies of OMB Circulars may be obtained from E.O.P. Publications, room 2200, New Executive Office Building, Washington, DC 20503, telephone (202) 395-7332. This is not a toll-free number.) There is a limit of two free copies.

(d) Lead-based paint. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, and R of this title apply to activities under this program.

(e) Conflicts of interest. (1) In addition to the conflict of interest requirements in 24 CFR part 85, no person who is an employee, agent, consultant, officer, or elected or appointed official of the recipient and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the

proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter. Participation by homeless individuals who also are participants under the program in policy or decisionmaking under Sec. 583.300(f) does not constitute a conflict of interest.

(2) Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (e)(1) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the program and the effective and efficient administration of the recipient's project. An exception may be considered only after the recipient has provided the following:

(i) For States and other governmental entities, a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) For all recipients, an opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(3) In determining whether to grant a requested exception after the recipient has satisfactorily met the requirement of paragraph (e)(2) of this section, HUD will consider the cumulative effect of the following factors, where applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the project which would otherwise not be available;

(ii) Whether the person affected is a member of a group or class of eligible persons and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iii) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted activity in question;

(iv) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (e)(1) of this section;

(v) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vi) Any other relevant considerations.

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(f) Audit. The financial management systems used by recipients under this program must provide for audits in accordance with 24 CFR part 44 or part 45, as applicable. HUD may perform or require additional audits as it finds necessary or appropriate.

(g) Davis-Bacon Act. The provisions of the Davis-Bacon Act do not apply to this program.

[58 FR 13871, Mar. 15, 1993, as amended at 61 FR 5211, Feb. 9, 1996; 61 FR 50226, Sept. 15, 1999]

[Code of Federal Regulations]
[Title 24, Volume 3]
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TITLE 24--HOUSING AND URBAN DEVELOPMENT

CHAPTER V--OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PART 583--SUPPORTIVE HOUSING PROGRAM--Table of Contents

Subpart E--Administration

Sec. 583.400 Grant agreement.

(a) General. The duty to provide supportive housing or supportive services in accordance with the requirements of this part will be incorporated in a grant agreement executed by HUD and the recipient.

(b) Enforcement. HUD will enforce the obligations in the grant agreement through such action as may be appropriate, including repayment of funds that have already been disbursed to the recipient.

Sec. 583.405 Program changes.

(a) HUD approval. (1) A recipient may not make any significant changes to an approved program without prior HUD approval. Significant changes include, but are not limited to, a change in the recipient, a change in the project site, additions or deletions in the types of activities listed in Sec. 583.100 of this part approved for the program or a shift of more than 10 percent of funds from one approved type of activity to another, and a change in the category of participants to be served. Depending on the nature of the change, HUD may require a new certification of consistency with the consolidated plan (see Sec. 583.155).

(2) Approval for changes is contingent upon the application ranking remaining high enough after the approved change to have been competitively selected for funding in the year the application was selected.

(b) Documentation of other changes. Any changes to an approved program that do not require prior HUD approval must be fully documented in the recipient's records.

[58 FR 13871, Mar. 15, 1993, as amended at 61 FR 51176, Sept. 30, 1996]

Sec. 583.410 Obligation and deobligation of funds.

(a) Obligation of funds. When HUD and the applicant execute a grant agreement, funds are obligated to cover the amount of the approved assistance under subpart B of this part. The recipient will be expected to carry out the supportive housing or supportive services activities as proposed in the application.

(b) Increases. After the initial obligation of funds, HUD will not make revisions to increase the amount obligated.

(c) Deobligation. (1) HUD may deobligate all or parts of grants for acquisition, rehabilitation, acquisition and rehabilitation, or new construction:

(i) If the actual total cost of acquisition, rehabilitation, acquisition and rehabilitation, or new construction is less than the total cost anticipated in the application; or

(ii) If proposed activities for which funding was approved are not begun within three months or residents do not begin to occupy the

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facility within nine months after grant execution.

(2) HUD may deobligate the amounts for annual leasing costs, operating costs or supportive services in any year:

(i) If the actual leasing costs, operating costs or supportive services for that year are less than the total cost anticipated in the application; or

(ii) If the proposed supportive housing operations are not begun within three months after the units are available for occupancy.

(3) The grant agreement may set forth in detail other circumstances under which funds may be deobligated, and other sanctions may be imposed.

(4) HUD may:

(i) Readvertise the availability of funds that have been deobligated under this section in a notice of fund availability under Sec. 583.200, or

(ii) Award deobligated funds to applications previously submitted in response to the most recently published

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notice of fund availability, and in accordance with subpart C of this part.

REFERENCES IN SMP RULE TO THE MCKINNEY ACT (42 U.S.C. 11301-11309)

5 583.5 Definitions.

Section 422(1) of the McKinney Act (42 U.S.C. 11302(1))

(1) The term "applicant" means a State, Indian tribe, metropolitan city, urban county, governmental entity, private nonprofit organization, or community mental health association that is a public nonprofit organization, or that is eligible to receive assistance under this subtitle and submits an application under section 426(a).

Section 422(2) of the McKinney Act (42 U.S.C. 11302(2))

(2) The term "disability" means--
 (A) a disability as defined in section 223 of the Social Security Act, to be determined to have, pursuant to regulations issued by the Secretary, a physical, mental, or emotional impairment which (i) is expected to be of long-continued and indefinite duration, (ii) substantially impedes that such ability to live independently, and (iii) of such a nature that such ability could be improved by more suitable housing conditions;
 (C) a developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act, or
 (D) the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agency for acquired immunodeficiency syndrome.
 Subparagraph (D) shall not be construed to limit eligibility under subparagraphs (A) through (C) or the provisions referred to in subparagraphs (A) through (C).

Section 103 of the McKinney Act (42 U.S.C. 11302)

(a) IN GENERAL.--For purposes of this Act, the term "homeless" or "homeless individual or homeless person" includes--
 (1) An individual who lacks a fixed, regular, and adequate nighttime residence; and
 (2) An individual who has a primary nighttime residence that is:
 (A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
 (B) an institution that provides a temporary residence for individuals intended to be institutionalized; or
 (C) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.
 (b) INCOME ELIGIBILITY.--
 (1) IN GENERAL.--A homeless individual shall be eligible for assistance under any program authorized by this Act, only if the individual complies with the income eligibility requirements otherwise applicable to such program.
 (2) EXCEPTION.--Notwithstanding paragraph (1), a homeless individual shall be eligible for assistance under the Job Training Partnership Act.
 (c) EXCLUSION.--For purposes of this Act, the term "homeless" or "homeless individual" does not include any individual imprisoned or otherwise detained under an Act of the Congress or a State law.

<p>Section 42.2(5) of the McKinney Act (42 U.S.C. 11382(5))</p>	<p>(5) The term "operating costs" means expenses incurred by a recipient operating supportive housing under this subtitle with respect to-- (A) the administration, maintenance, repair, and security of such housing; (B) utilities, fuel, furnishings, and equipment for such housing; and (C) the conducting of the assessment under section 426(c)(2).</p>
<p>Section 422(6) of the McKinney Act (42 U.S.C. 11382(6))</p>	<p>(6) The term "outpatient health services" means outpatient health care, outpatient mental health services, outpatient substance abuse services, and case management.</p>
<p>Section 424(c) of the McKinney Act (42 U.S.C. 11384(c))</p>	<p>(C) PERMANENT HOUSING FOR HOMELESS PERSONS WITH DISABILITIES.--For purposes of this section, the term "permanent housing for homeless persons with disabilities" means community-based housing for homeless persons with disabilities that provides long-term housing and supportive services for not more than-- (1) 8 such persons in a single structure or contiguous structures for not in a structure are designated for such persons; or (3) more than 16 persons if the applicant demonstrates that local market conditions dictate the development of a large project and such development will achieve the neighborhood integration objectives of the program within the context of the affected community.</p>
<p>Section 422(7)(A), (B) & (D) of the McKinney Act (42 U.S.C. 11382(7)(A), (B), & (D))</p>	<p>(7) The term "private nonprofit organization" means an organization-- (A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual; (B) that has a voluntary board; (D) that practices nondiscrimination in the provision of assistance.</p>
<p>Sections 422(8) & 424(d) of the McKinney Act (42 U.S.C. 11382(8), 11384(d))</p>	<p>422(8) The term "project" means a structure or structures (or a portion of such structure or structures) that is acquired, rehabilitated, constructed, or leased with assistance provided under this subtitle or with respect to operating costs under this subtitle, or supportive services. 424(d) SINGLE ROOM OCCUPANCY DWELLINGS.--A project may provide supportive housing or supportive services in dwelling units that do not contain bathrooms or kitchen facilities and are appropriate for use as supportive housing or in projects containing some or all such dwelling units.</p>
<p>Section 422(9) of the McKinney Act (42 U.S.C. 11382(9))</p>	<p>(9) The term "recipient" means-- (A) a governmental or nonprofit entity that receives assistance under this subtitle.</p>
<p>Section 422(11) of the McKinney Act (42 U.S.C. 11382(11))</p>	<p>(11) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and Palau.</p>

Sectl U.S.C.	REFERENCES IN SHP RULE TO THE P	KEY ACT (42 U.S.C. 11381-11389)
4(a) of the McKinney Act (42 U.S.C. 11381(a))	(a) IN GENERAL. Individuals shall be considered supportive housing for purposes of this subtitle if--	(1) the housing is safe and sanitary and meets any applicable State and local housing codes and licensing requirements in the jurisdiction in which the housing is located; and (2) the housing-- (A) is transitional housing; (B) is permanent housing for homeless persons with disabilities; or (C) is, or is a part of, a particularly innovative project for, or alternative methods of, meeting the immediate and long-term needs of homeless individuals and families.
Section 425 of the McKinney Act (42 U.S.C. 11385)		(a) IN GENERAL.--To the extent practicable, each project shall provide supportive services for residents of the project and homeless persons using the project, which may be designed by the recipient or participants. (b) REQUIREMENTS.--Supportive services provided in connection with a project shall address the special needs of individuals (such as homeless persons with disabilities and homeless families with children) intended to be served by a project. (c) SERVICES.--Supportive services may include such activities as (A) establishing and operating a child care services program for homeless families, (b) establishing and operating an employment assistance program, (C) providing outpatient health services, food, and case management, (D) providing assistance in obtaining permanent housing, employment counseling, and nutritional counseling; (E) providing security arrangements necessary for the protection of residents of supportive housing and for homeless persons using the housing or project, (F) providing assistance in obtaining other Federal, state, and local assistance available for such residents (including mental health benefits, employment counseling, and medical assistance, but not including major medical equipment), and (G) providing other appropriate services.
Section 424(b) of the McKinney Act (42 U.S.C. 11384(b))		(b) TRANSITIONAL HOUSING.--For purposes of this section, the term "transitional housing" means housing, the purpose of which is to facilitate the movement of homeless individuals and families to permanent housing within 24 months or such longer period as the Secretary determines necessary. The Secretary may deny assistance for housing based on a violation of this subsection only if the Secretary determines that a substantial number of homeless individuals or families have remained in the housing for such period.

581, REFERENCES IN BHP RULE TO THE H--
 Application and grant award.
 Section 426 of the McKinney Act (42 U.S.C. 1386)

ACT (42 U.S.C. 11381-11389)

Section 426 of the McKinney Act (42 U.S.C. 1386)

Reviewing and screening applications

(b) SELECTION CRITERIA.--The Secretary shall select applicants approved by the Secretary as to financial responsibility to receive assistance under this subtitle by a national competition based on criteria established by the Secretary, which shall include--

- (1) the ability of the applicant to develop and operate a project;
- (2) the innovative quality of the proposal in providing a project;
- (3) the need for the type of project proposed by the applicant in the area to be served;
- (4) the extent to which the amount of assistance to be provided under this subtitle will be supplemented with resources from other public and private sources;
- (5) the cost-effectiveness of the proposed project;
- (6) the extent to which the applicant has demonstrated coordination with other Federal, State, local, private and other entities serving homeless persons in the planning and operation of the project, to the extent practicable; and
- (7) such other factors as the Secretary determines to be appropriate to carry out this subtitle in an effective and efficient manner.

583,300 General operation.

Section 426(g) of the McKinney Act (42 U.S.C. 1386(g))

(g) PARTICIPATION OF HOMELESS INDIVIDUALS.--The Secretary shall, by regulation, require each recipient to provide for the participation of not less than 1 homeless individual or former homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that such entity considers and makes policies and decisions regarding any project, supportive services, or assistance provided under this subtitle. The Secretary may grant waivers to applicants unable to meet the requirement under the preceding sentence if the applicant agrees to otherwise consult with homeless or formerly homeless individuals in considering and making such policies and decisions.

583,305 Term of commitment; repayment of grant; prevention of undue benefits
 Sections 423(b)(1) & (b)(3) of the McKinney Act (42 U.S.C. 11383(b)(1), 11383(b)(3))

Term of commitment; conversion of project

(b) USE RESTRICTIONS.--

(1) ACQUISITION, REPAIR, AND NEW CONSTRUCTION.--Projects

than 20 years for the purpose specified in the application.

(3) CONVERSION.--If the Secretary determines that a project is no longer needed for use as supportive housing and approves the use of the project for the direct benefit of low-income persons pursuant to a request for such use by the recipient operating the project, the Secretary may authorize the recipient to convert the project to such use.

<p>REFERENCES IN BIP RULE TO THE</p> <p>Sect. 423(c) of the McKinney Act (42 U.S.C. 11383(c))</p>	<p>ANNEY ACT (42 U.S.C. 11381-11389)</p> <p>Repayment of grant</p> <p>(C) REPAYMENT OF ASSISTANCE AND PREVENTION OF UNDUE BENEFITS.--</p> <p>(1) REPAYMENT.-- The Secretary shall require recipients to repay 100 percent of any assistance received under subsection (a)(1) or (2) if the project ceases to be used as supportive housing within 10 years after the project is placed in service. If such project is used as supportive housing for more than 10 years, the Secretary shall reduce the percentage of the amount required to be repaid by 10 percentage points for each year in excess of 10 that the project is used as supportive housing.</p> <p>(2) PREVENTION OF UNDUE BENEFITS.-- Except as provided in paragraph (3), upon any sale or other disposition of a project assisted under subsection (a)(1) or (2) occurring before the expiration of the 20-year period beginning on the date that the project is placed in service, the recipient shall comply with such terms and conditions as the Secretary may prescribe to prevent the recipient from unduly benefiting from such sale or disposition.</p> <p>(3) EXCEPTION.-- A recipient shall not be required to comply with the terms and conditions prescribed under paragraphs (1) and (2) if the sale or disposition of the project results in the use of the project for the direct benefit of very low-income persons or if all of the proceeds are used to provide supportive housing meeting the requirements of this subtitle.</p>
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GENERAL HUD PROGRAM REQUIREMENTS; WAIVERS - 61 FR 5202 (REFERENCES APPLICABLE TO SHP RULE)	
§ 5.100 Definitions	
Department	Department means the Department of Housing and Urban Development.
HUD	HUD means the same as the Department.
§ 5.110 Waivers	
Waivers	Upon determination of good cause, the Secretary may, subject to statutory limitations, waive any provision of this title and delegate this authority in accordance with section 106 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3535(g)).

Supportive Housing Program (SHP)
Grantee Financial Instructions

Each HUD grantee uses the Line of Credit Control System Voice Response System (LOCCS-VRS) to receive grant funds. This document describes how LOCCS-VRS works and gives you information about how to use the system.

A touch-tone telephone system is used to operate LOCCS-VRS equipment. Information is transmitted to the system through the touch-tone keypad. If you do not have touch-tone service through your local telephone company, purchase a telephone set that has a touch-tone keypad and a tone/pulse switch. These phones simulate the pulse dialing of the rotary service. Purchase of such equipment is an eligible administrative cost under the HUD grant.

LOCCS-VRS Operating Instructions

When a project is approved for funding, a line of credit with HUD is established for the grantee to be paid through the Federal Reserve to the grantee's financial institution.

With the Grant Agreement, you will receive the Direct Deposit Sign-Up Form (SF 1199A). The form identifies your financial institution, and bank account, and, once completed, authorizes the transfer of HUD funds to your account. After you have completed Section 1 and your financial institution has completed Section 3, return the form AND A BLANK CHECK marked CANCELED or VOID to the, United States Department of Housing and Urban Development, Office of the Chief Financial Officer, CFO National Accounting Center, P.O. Box 901013, Fort Worth, TX 76101. HUD will complete Section 2 before it is sent to you. Full instructions on the completion of this form are included in Exhibit 1 of these instructions.

Renewal grantees will use their existing banking information provided in their original SF-1199A unless they choose to designate a different banking institution to receive the grant funds.

Each grantee will also receive the Voice Response Security Access Authorization Form (HUD-27054). This form is used to designate the persons that will request funds from HUD through LOCCS-VRS. It is recommended that you designate this authority to at least two persons so that, in the absence of one, the other can request funds. Instructions for the completion of this form are included in Exhibit 2 of these instructions. **You may make copies of this form for your future use, or you may download this form and instructions from the HUD home page located at <http://www.hud.gov>. Select the option *handbooks and forms HUD-2*.**

Renewal grantees may continue to use their current User ID and Password. **You do not have to complete another HUD 27054 form.**

Once the security form is received, HUD will issue each authorized individual a USERID. The USERID will be issued by certified mail, return receipt requested, usually within 10 days of the request. Each USERID will be contained in a separate envelope clearly indicating the contents are "for grantee's eyes only." No other staff, including HUD staff, should have access to the USERID and it must be safeguarded at all times. A breach in the security system by any staff member will result in an immediate termination of the USERID. If you notice that your certified envelope has been opened prior to receipt, you should immediately notify the LOCCS-VRS Security officer at (202) 708-0764 or TOLL FREE 1-877-705-7504. **The revised Form HUD-27054 must indicate in Box 1 that the user's access should be terminated. New User IDs may be requested by submitting a Form HUD-27054 with the appropriate notarized approval signatures.**

Periodically, it may be necessary to cancel the USERID for an individual because of loss, theft or a change in personnel. A USERID may be immediately canceled by **faxing** Form HUD-27054 to the LOCCS LOCCS-VRS Security Officer at (202) 708-4350. **If you have any problems completing the Security Form HUD-27054, or do not receive your User ID or Password in a timely manner, please contact the LOCCS Security Officer at (202) 708-0764 or TOLL FREE 1-877-705-7540. The authorized individual will establish an initial password for the User ID. Subsequent passwords must be changed within 60 days from the last time a password is established. The password change is entered by the authorized user through the VRS system. Termination of access due to password expiration will require another resubmission of an original Form HUD-27054.**

Each Grantee user must have its LOCCS access recertified by their Approving Official. This insures that their work duties have not changed, or that the employee has not left the organization and no longer needs access to LOCCS. Failure of Approving Officials to recertify their staff will result in staff members having their LOCCS access suspended. HUD grantees must be recertified semi-annually through the VRS. Recertification can only be performed by the Approving Official and should not be designated to other staff personnel. If the approving official changes, please have the new Approving Official send a notarized letter on company letterhead, that **must** include the following: name and title of the new Approval Official, social security number, daytime telephone number and address. List the existing users (NO SSN) so that the LOCCS Security Officer may change Approving Officials. Sign, Date and Notarize the new Approving Official's Signature and mail the notification to: U.S. Department, Office of the Chief Financial Officer, FYM, Attn: LOCCS Security Team, P.O. Box 23774, Washington, D.C. 20026-3774 or fax (202) 708-4350 (and then mail ORIGINAL). **Upon receipt of your document LOCCS Security will re-certify you and your staff. As the approving official you will receive an official letter with semi-annually re-certification instructions within six months. You will not be notified until that time.**

Based on the Regional assignment of the recipient's TIN, the grantee Approving Official will be required to recertify his/her staff's access on a semi-annual basis. A letter will automatically be generated by LOCCS and sent to the Approving Official to notify them of the need to recertify their staff's access privileges in LOCCS. Grantee users are recertified according to the following schedule:

New England & New York/New Jersey	-	in January & July
Mid-Atlantic & Southeast	-	in February & August
Mid-West & Southwest	-	in March & September
Great Plains & Rocky Mountain	-	in April & October
Pacific/Hawaii & Northwest/Alaska	-	in May & November

VRS recertification of HUD grantees is performed by the grantee Approving Official through a VRS interactive session. The grantee Approving Official will access LOCCS using their assigned User ID. All staff assignments may be recertified at one time, or specific users may be selected and terminated.

If you have any questions concerning the form, you may call the LOCCS Security Office toll free at 1-877-705-7504 or 202-708-0764.

HUD assigns a 10-digit VRS project number that is different from the regular project number is indicated on your grant agreement. This is necessary because the telephone keypad cannot distinguish between all of the alphabetical and numerical characters in the regular project numbers. You will be notified by mail of your assigned VRS project number. **If you do not receive your 10-digit VRS project number, and are ready to perform your drawdown, please contact your program coordinator, and they may verbally provide the number for you.**

The Special Needs Assistance Program Voucher for Grant Payment (HUD-27053-B) is to be used for the SNAPs Voice Response System payments. If you wish, you may photocopy blank voucher forms as needed. Instructions for the completion of the voucher are included on the reverse side of each voucher.

To request that HUD funds be transferred into your account, you may call toll free 1-877-705-7505 or (703) 391-1400. There are 64 lines available for grantee use between the hours of **8:00 a.m. and 6:00 p.m.** Eastern time.

Callers must first enter their USERID and password to verify that they are authorized to draw down SNAPs funds. Once the USERID and password have been validated, the caller is given a menu selection of the LOCCS program areas for which the caller is authorized. Choose the "SNAP" program area for all SHP grants.

LOCCS will ask the caller for the three-digit program number; enter 001, as indicated on the voucher instructions. LOCCS will give the caller the remaining 6 digits of the voucher number. The caller must write the entire voucher number on the voucher form and then reenter the entire 9-digit voucher number for verification. This procedure ensures that the voucher numbers are unique. LOCCS will then prompt the caller to enter the first 4-digit line item number. LOCCS

verifies that it is a valid number for the grant type and for the program area. The line item's name is spoken back to the caller; e.g., if the SNAP line item "1010" is entered from a SNAP voucher, LOCCS will speak, "ENTER THE AMOUNT OF ACQUISITION FOLLOWED BY A POUND SIGN."

The caller will then enter the amount of funds to be drawn against the Line Item, followed by a pound (#) sign. Since LOCCS VRS does not know in advance the number of digits being entered, the caller is asked to enter a pound sign (#) as the last input to indicate they have completed entering digits.

For example, to request \$35,679.00, the caller would enter:

3 - 5 - 6 - 7 - 9 - #

This process is repeated until the caller indicates that there are no more line items for the given voucher by entering "9999." LOCCS then summarizes the line item entries and their related dollar amounts and provides the caller with a voucher total amount for confirmation. The caller then has a final option to process or cancel the request.

The requested payment amount is checked against the grant's available balance in LOCCS to ensure that the request does not exceed the grant's authorized funding limits. LOCCS will not allow more than one draw per grant per day.

LOCCS uses payment controls to ensure that payments are in accordance with SHP program guidelines. These controls are called threshold payment edits. Threshold edits on BLIs are applied at drawdown.

LOCCS will create Treasury payment tapes that evening, to be sent to Treasury the next business day. When the request is consistent with all edits, and the payment is approved. Funds will be wired to the grantee's bank account within 48 **business hours** of the request.

Disbursement Requirements

Acquisition: If you were awarded funds for acquisition, you must submit closing documents including an original, executed document establishing the use and repayment requirements of §423 of the Act, accompanied by a recording receipt for that document, both of which are in a form approved by HUD Field counsel, to the Field Office within 30 days after the closing on the property and in any event before any funds for any activity other than acquisition may be drawn down. The entire acquisition amount for your project may be drawn down in one lump sum.

Rehabilitation and New Construction: If you were awarded funds for rehabilitation or new construction, you must submit a copy of the rehabilitation/new construction contract and an original, executed document establishing the use and repayment requirements of §423 of the Act, accompanied by a recording receipt for that document, both of which are in a form approved by HUD Field counsel, to the Field Office before any funds may be disbursed for your project.

Funds for rehabilitation and new construction may be drawn down in increments of 30 percent, 30 percent, 30 percent, and 10 percent. However, before the final 10 percent drawdown can be approved for payment, you must also submit a copy of the Certificate of Occupancy to the Field Office.

Operations and Supportive Services: You may draw down funds for operating and supportive services on a monthly basis, with allowances for start-up costs such as furnishings and equipment. However, if you need to request more than one year's worth of funds for your project in any given year, contact your local HUD Field Office. The Field Office will have to approve this payment before it can be made.

Administrative Funds: Five percent of your grant amount may be used for administrative costs. It may be used for costs of administering the grant, such as preparing reports for HUD, obtaining program audits, and similar costs related to administering the grant after the award. In consolidated applications where the applicant will administer the grant funds to multiple project sponsors, the grantee may retain these funds for its own use, pass them on to the individual project sponsors, or must share them with the project sponsor, so long as the total amount spent for administration does not exceed 5% of the grant. These funds will be obligated by project and the grantee will have access to them under individual project accounts.

Restrictions on Drawdowns

A grantee may not make more than one payment request per day and must make drawdowns as close in time as possible to its disbursements. LOCCS is designed so that grantees can draw down funds when needed. Funds drawn down should be disbursed in payment of program costs within three days of receipt of funds. That is, grantees should not draw down funds unless they expect to expend those funds within three days.

Setting an Operating Start Date

Grantees should establish an operating start date in LOCCS when the first drawdown of funds is made for either leasing, supportive services, or operating costs. The operating start date entered should be the date on which eligible costs for either leasing, supportive services or operating costs were first incurred, whichever is earliest. For new projects, the first operating year begins after development activities of acquisition, rehabilitation and new construction are complete. For renewals, the grant term begins immediately following the expiration date of the grant for which renewal funding has been awarded in the 2001~~0~~ competition.

Budget Line Item Changes

To promote maximum flexibility for your program, you may transfer up to 10 percent of each grant activity from one grant activity to another. To implement this type of transfer, you must notify your Field Office in writing or by telephone of the amount of funds to be transferred and the activities affected. The Field Office will notify you when the change has been completed.

If you wish to transfer more than 10 percent, you may do so with Field Office approval. Send your request to the Field Office in writing. If approved, the Field Office will send you a letter stating that the change has been approved.

VRS Queries for SNAP

In addition to drawdown capability, LOCCS allows you to query the system for various information. The initial menu will give you this option at the start of each VRS call. The available query functions are as follows:

Grant Query: LOCCS will give current authorized, disbursed, and available balance totals for the selected grant, along with general grant status. A detailed breakdown by line item is available if the caller wishes.

Voucher Query: By entering a voucher number, the status of the voucher is given. This includes when the voucher was called in, by whom, and if the voucher has been paid, canceled, or is out for review. A detailed breakdown by line item is available if the caller wishes.

Last assigned VRS Grant Number: If you wish to drawdown funds but have not yet received the LOCCS generated letter with your assigned VRS number, you may use this query to get your VRS number. Enter your Tax ID number and LOCCS will give you the last assigned VRS number for the program area which you have selected.

Change of Address

In the event of a change of address, you must complete the LOCCS Voice Response and System Access Authorization Form (HUD-27054), check item 6 (Change Tax ID or Address) and submit the form to your HUD Field Office. It is essential to the effective operation of the system that LOCCS-VRS has the correct mailing address of each grantee. It is also vital that the address is sufficiently specific to assure that all mailings will reach the proper representative of the grantee. This form may be obtained from the local HUD Field Office.

Assistance for LOCCS VRS

If you have any questions regarding the LOCCS VRS, please contact your local Field Office.

Exhibit 1

How to Complete the SF-1199A

Direct Deposit Sign-up Form

Section 1 - to be completed by the grantee

- Block A Print or type the name and address of the grantee organization that will receive the funds and the telephone number of the person completing the form.
- Block B Leave Blank
- Block C Print or type your project number, which is on the letter which notified you of funding. Print or type the Tax Identification Number of the organization below the project number.
- Block D Mark with an "X" the type of account into which your HUD funds will be directly deposited. You must choose either checking or savings.
- Block E Print or type the number of the account into which the funds will be deposited. If your financial institution does not use account numbers, up to 17 characters of the depositor's name or other identification may be entered. Dashes are acceptable as part of the number, but spaces are not acceptable. The depositor's account number must be formatted exactly as it appears in the financial institution's records
- Block F Check other and enter SHP.
- Block G Leave Blank

Payee/Joint Payee Certification: The Certification should be signed by the Chief Executive Officer or Designated Representative of the jurisdiction/organization completing the form. If additional signature lines are required, use a plain sheet of paper and attach it to the form. Be sure to place your name and project number on the sheet so that we will know which project it is for if it becomes separated. All signatures must be original. Forms containing duplicated copies of signatures will not be processed and will result in delays.

Section 2 - to be completed by your local HUD Field Office**Section 3 - to be completed by your financial institution**

NOTE: DO NOT HAVE THE FINANCIAL INSTITUTION MAIL THE FORM

Print or type the name and address of the financial institution, the Routing Number and Check Digit. If the financial institution uses a processor, the Routing Number of the financial institution should be used.

Enter the name of the entity to receive the funds in the "Depositor Account Title" block.

The financial institution's representative signs and dates the form. The telephone number, including the area code, must also be provided so that HUD can verify information. The financial institution returns the form to the address shown in Section 2.

Exhibit 2

How to Complete the HUD-27054

LOCCS Voice Response Access Authorization

Block 1	Check 1 - New User.
Block 2a	This block will be filled in by the LOCCS Security Officer. <i>(If you are adding this as a new program area, check add/change authority.)</i>
Blocks 2b & 3	It is mandatory that all information requested in this section be entered. Failure to enter any of this information may cause the security request to be rejected.
Block 4	This information will identify the organization the user will be representing. Enter the organization's Tax Identification Number and organization name.
Block 5a	Enter SNAP.
Block 5b	Enter Special Needs Assistance.
Block 5c	Enter either "Q" for Query only access or "D" for Drawdown access. Users who select Drawdown access will automatically receive Query access.
Block 6	The signature of the user requesting access and the current date.
Block 7	This block is for the name, title, SSN, office phone number and address, and signature of the approving official representing the grantee. Approving officials cannot approve themselves for access to the system.
Block 8	Each new and re-instated user form must be notarized. Notary <i>must be different from the authorized user, and the approving official.</i>

DIRECT DEPOSIT SIGN-UP FORM

DIRECTIONS

- To sign up for direct deposit, the payee is to read the back of this form and fill in the information requested in Sections 1 and 2. Then take or mail this form to the financial institution. The financial institution will verify the information in Sections 1 and 2, and will complete Section 3. The completed form will be returned to the Government agency identified below.
- A separate form must be completed for each type of payment to be sent by Direct Deposit.
- The claim number and type of payment are printed on Government checks. (See the sample check on the back of this form.) This information is also stated on beneficiary/annuitant award letters and other documents from the Government agency.
- Payees must keep the Government agency informed of any address changes in order to receive important information about benefits and to remain qualified for payments.

SECTION 1 (TO BE COMPLETED BY PAYEE)

A NAME OF PAYEE (last, first, middle initial)		D TYPE OF DEPOSITOR ACCOUNT <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS	
ADDRESS (street, route, P.O. Box, APO/FPO)		E DEPOSITOR ACCOUNT NUMBER	
CITY STATE ZIP CODE			
TELEPHONE NUMBER AREA CODE		F TYPE OF PAYMENT. (Check only one)	
B NAME OF PERSON(S) ENTITLED TO PAYMENT		<input type="checkbox"/> Social Security <input type="checkbox"/> Fed Salary/Mil. Civilian Pay	
		<input type="checkbox"/> Supplemental Security Income <input type="checkbox"/> Mil. Active	
		<input type="checkbox"/> Railroad Retirement <input type="checkbox"/> Mil. Retire.	
		<input type="checkbox"/> Civil Service Retirement (OPM) <input type="checkbox"/> Mil. Survivor	
		<input type="checkbox"/> VA Compensation or Pension <input type="checkbox"/> Other: _____	
		(specify)	
C CLAIM OR PAYROLL ID NUMBER		G THIS BOX FOR ALLOTMENT OF PAYMENT ONLY (if applicable)	
Prefix _____ Suffix _____		TYPE AMOUNT	
PAYEE/JOINT PAYEE CERTIFICATION		JOINT ACCOUNT HOLDERS' CERTIFICATION (optional)	
I certify that I am entitled to the payment identified above, and that I have read and understood the back of this form. In signing this form I authorize my payment to be sent to the financial institution named below to be deposited to the designated account.		I certify that I have read and understood the back of this form, including the SPECIAL NOTICE TO JOINT ACCOUNT HOLDERS.	
SIGNATURE	DATE	SIGNATURE	DATE
SIGNATURE	DATE	SIGNATURE	DATE

SECTION 2 (TO BE COMPLETED BY PAYEE OR FINANCIAL INSTITUTION)

GOVERNMENT AGENCY NAME	GOVERNMENT AGENCY ADDRESS

SECTION 3 (TO BE COMPLETED BY FINANCIAL INSTITUTION)

NAME AND ADDRESS OF FINANCIAL INSTITUTION		ROUTING NUMBER	CHECK DIGIT
		<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>
		DEPOSITOR ACCOUNT TITLE	
FINANCIAL INSTITUTION CERTIFICATION			
I confirm the identity of the above-named payee(s) and the account number and title. As representative of the above-named financial institution, I certify that the financial institution agrees to receive and deposit the payment identified above in accordance with 31 CFR Parts 240, 209, and 210.			
PRINT OR TYPE REPRESENTATIVE'S NAME	SIGNATURE OF REPRESENTATIVE	TELEPHONE NUMBER	DATE

Financial institutions should refer to the GREEN BOOK for further instructions.

THE FINANCIAL INSTITUTION SHOULD MAIL THE COMPLETED FORM TO THE GOVERNMENT AGENCY IDENTIFIED ABOVE.

LOCCS

Voice Response System

Access Authorization

U.S. Department of Housing
and Urban Development

OMB Approval No. 2535-0102
(exp. 01/31/2004)

See Instructions, Public Burden, and Privacy Act statements on back before completing this form

This form is to be approved by the recipient's (or grantee's) chief executive officer. **For new users and reinstate users**, retain a copy and send a **notarized original** and one copy to your local HUD Field Office for review.

The Field Office will forward the original form f to:
U.S. Dept. of Housing and Urban Development
Chief Financial Officer, FYM
PO Box 23774
Washington, DC 20026-3774

For Overnight delivery send to:
Chief Financial Officer, FYM
451 7th Street SW
Room 3114
Washington, DC 20410

1. Type of Function (mark one)		2a. User ID (new user leave blank)	2b. Social Security Number (SSN) (mandatory)
1 <input type="checkbox"/> New User	5 <input type="checkbox"/> Add new Program Area or Tax ID		
2 <input type="checkbox"/> Reinstate User	6 <input type="checkbox"/> Change Tax ID		
3 <input type="checkbox"/> Terminate User	7 <input type="checkbox"/> Change Address		
4 <input type="checkbox"/> Reset Password for active users	8 <input type="checkbox"/> Resend User-ID		
3. Authorized User's Name (last, first, mi) Print or Type		Title (mandatory)	
		Office Telephone No. (include area code)	
Complete Mailing Address		E-Mail address (if available)	
4. Recipient Organization for which Authority is being Requested			
Tax ID		Organization's Name	
Tax ID		Organization's Name	
Tax ID		Organization's Name	
5a. LOCCS Program Area	5b. Program Name	5c. Q = Query Only D = Project Drawdown S = Project Set-Up (HOME, HOP3) A = Admin. Drawdown (HOME, HOP3)	
6. Authorized User's Signature		Date (mm/dd/yyyy)	

I authorize the person identified above to access LOCCS via the Voice Response System.

7. Approved by name (Last, First, Mi.) Print or Type	Office Telephone Number (include area code)	8. Notary (must be different from user and approving official) (Seal, signature, and date (mm/dd/yyyy))
Title (mandatory)	Social Security Number (mandatory)	
Complete Mailing Address	E-Mail address (if available)	
Approving Official's Signature	Date (mm/dd/yyyy)	

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)


Previous editions are obsolete.

LOCCS/VRS
SNAPS Special Needs Assistance Program
Request Voucher for Grant Payment

**U.S. Department of Housing
and Urban Development**
Office of Community Planning
and Development

OMB Approval No. 2535-0102 (exp. 8/31/2000)

See Instructions and Public Reporting Burden Statement on back

1. Voucher Number :	2. LOCCS Prgm. Area: SNAP HPAC IHP	3. Period Covered by this Request: (dates)	4. Type of Disbursement: <input type="checkbox"/> Partial <input type="checkbox"/> Final
5. Voice Response No. (5 digits, hyphen, 5 more)	6. Grantee Organization's Name :		
8. Grant No:	6a. Grantee Organization's TIN :		

9. Line Item no.	Type of Funds Requested	Amount : (round to nearest dollar)
1010	Acquisition	
1020	Rehabilitation	
1021	New Construction	
1022	Substantial Rehabilitation	
1023	Moderate Rehabilitation	
1030	Operating Cost	
1040	Rental Assistance	
1050	Supportive Services	
1060	Administrative Cost	
1070	Child Care	
1080	Employment Assistance	
1090	Relocation	
1100	Leasing	
1110	Repair & Maintenance	
1111	Prevention (RH)	
1112	Capacity Building (RH)	
1120	Other:	
10.	Voucher Total:	

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

11. Name & Phone Number (including area code) of the Authorized Person who called SNAPS System VRS:	12. Signature : X	13. Date of Request :
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Privacy Statement: Public Law 97-255, Financial Integrity Act, 31 U.S.C. 3512, authorizes the Department of Housing and Urban Development (HUD) to collect all the information (except the Social Security Number (SSN)) which will be used by HUD to protect disbursement data from fraudulent actions. The Housing and Community Development Act of 1987, 42 U.S.C. 3543, authorizes HUD to collect the SSN. The data are used to ensure that individuals who no longer require access to Line of Credit Control System (LOCCS) have their access capability promptly deleted. Provision of the SSN is mandatory. HUD uses it as a unique identifier for safeguarding LOCCS from unauthorized access. Failure to provide the information requested may delay the processing of your approval for access to LOCCS. This information will not be otherwise disclosed or released outside of HUD, except as permitted or required by law.

**Change of Address Request
for Recipients of HUD Grants
or Contracts**

**U.S. Department of Housing
and Urban Development**
Office of Administration

Instructions: This form is to be completed by recipients of HUD Grants or Contracts when their address changes. Please note the maximum characters per area. Characters in excess of the maximum will be truncated. The recipient shall submit this request to the appropriate Field/Program Office for approval. Once approved, the Field/Program Office will forward the request to Accounting for processing. After being processed, the U.S. Department of Housing and Urban Development will send all future correspondence to the new address.

Recipient's Tax Identification Number (9 characters)		Effective Date of Address Change	
Current Information	Recipient's Name (33 characters max.)		
	Address (33 characters per line max.)		
	City (22 characters max.)	State (2 chars.)	Zip Code (5 or 9 characters)
	Contact Name	Phone Number (include area code)	
Enter the Requested Changes	Recipient's Name (33 characters max.)		
	Address (33 characters per line max.)		
	City (22 characters max.)	State (2 chars.)	Zip Code (5 or 9 characters)
	Contact Name	Phone Number (include area code)	
	Name and Signature of the Recipient Official Authorized to sign the Grant Agreement / Contract		
	X		
Approval (only necessary on requests for a recipient name change)	Name and Signature of the HUD Program Official Authorized to sign the Grant Agreement / Contract		
	X		

U. S. Department of Housing
and Urban Development
Office of Community Planning
and Development

Annual Progress Report (APR)

for

Supportive Housing Program

Shelter Plus Care

and

**Section 8 Moderate Rehabilitation
for Single Room Occupancy
Dwellings (SRO) Program**

Public reporting burden for this collection of information is estimated to average 65 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

General Instructions

Purpose. The Annual Progress Report (APR) tracks program progress and accomplishments in the Department's competitive homeless assistance programs.

Filing Requirements. Recipients of HUD's homeless assistance grants must submit an APR to HUD within 90 days after the end of each operating year. Failure to submit an APR will delay receiving grant funds and may result in a determination of lack of capacity for future funding. An APR must be submitted for each operating year in which HUD funding is provided. The report must be submitted to the CPD Division Director in the local HUD Field Office responsible for managing the grant.

Grantees that received SHP funding for new construction, acquisition, or rehabilitation are required to operate their facilities for 20 years. They must submit an APR 90 days after the end of the first operating year and any year in which they use SHP funding for leasing, supportive services, or operations. For years in which they do not receive SHP funding, they must submit an Annual Certification of Continued Project Operation throughout the 20 years (contact local HUD Field Office).

A separate report must be submitted for each HUD grant received. For Shelter Plus Care, a separate APR must be submitted for each Shelter Plus Care component.

For those grantees receiving an extension, a separate report covering that period must be submitted (see Extension below).

Record keeping. Grantees must collect and maintain information on each participant in order to complete an APR. Optional worksheets are attached. The worksheets may be used to record information manually or to design a computerized system to store and tabulate the information. The worksheets should not be submitted to HUD with the APR.

Organization of the Report. The APR is organized in the following manner:

Part I: Project Progress. This portion of the report describes the progress in moving homeless persons to self-sufficiency, services received, project goals, and beds created.

Part II: Financial Information. This portion of the report is completed by all grantees receiving funding under SHP, S+C and SRO.

Final Assembly of Report. After the entire report is assembled, number every page sequentially. Mark any questions that do not apply to your program with "N/A" for not applicable. (See Special Instructions for SSO Projects below.)

Definitions. The following terms are used in the APR. As indicated, in some cases, terms are applied differently depending on whether the funding is from SHP, S+C, or SRO.

Entered the program for S+C and SRO projects means when the participant starts to receive rental assistance. For S+C, services provided prior to this point are recognized as necessary for outreach/enrollment and are eligible to count as match.

Left the program for S+C projects means when the participant stops receiving rental assistance and is not expected to return to S+C assisted housing. If the participant returns to S+C assisted housing within 90 days, the person should not be considered as exiting from the program. If the person returns to S+C assisted housing after 90 days, that person is considered a new participant. The worksheet is designed to capture this information.

An **Extension APR** applies to SHP and S+C grantees that requested and received an extension of their grant term from the HUD field office. The only difference between an APR for the extension period and the regular APR (besides the amount of time covered) is the signature page. Grantees should circle yes to indicate the APR is for an extension period and circle the operating year for which the report is an extension. For example, if the grantee is extending year 3, the grantee should submit an APR as usual for year 3 and submit another APR for the extension period, indicating the second is an extension and also circling year 3 on the signature page.

Family means a household composed of two or more related persons, at least one of whom is an adult. The term family also includes one or more persons living with an eligible participant who is determined to be important to their care or well being. Care givers are not reported on in the APR.

Grantee means a direct recipient of the HUD award.

Match for S+C means the value of supportive services received by participants in the S+C project, which, in the aggregate, must at least equal the value of the S+C rental assistance provided over the life of the project. For SHP, match means cash used to provide the grantee's portion of acquisition, rehabilitation, new construction, operations and supportive services expenses.

Operating year means for SHP the date when participants begin to receive housing and/or services. The first operating year begins after development activities for acquisition, rehabilitation, and new construction are complete, after a copy of the Certificate of Occupancy is sent to the local HUD office, and when the first participant is accepted into the project. For projects without acquisition, rehabilitation, or new construction, the operating start date begins when the grantee accepts the first participant. For S+C (SRA, PRA and TRA components), the first operating year begins on the date HUD signs the grant agreement. For S+C/SRO and for Sec. 8 SRO, the first operating year begins with the effective date of the Housing Assistance Payments (HAP) Contract.

To determine which operating year to circle on the APR cover page, begin counting from the initial grant operating start date and include renewals grants. For example, a project receiving an initial grant for three years and a renewal grant for two years would circle years 1, 2, and 3 respectively on the APR cover sheet for the initial grant and would circle 4 and 5 respectively for the renewal grant. For any future renewal grants, the grantee would begin by circling 6 on the APR cover sheet.

Participant means single persons and adults in families who received assistance during the operating year. Participant does not include children or caregivers who live with the adults assisted.

Project Sponsor means the organization responsible for carrying out the daily operation of the project, if the organization is an entity other than the grantee.

Special Instructions for Supportive Services Only Projects. SSO grantees should complete all questions, unless a written agreement has been reached with the field office concerning which questions can be answered using estimates, or in rare instances, skipped.

Below is an example of how information could be derived in a large, single-service SSO project:

A grantee/sponsor staff member could be assigned to collect information from the organizations housing the participants. The staff person would contact these individual organizations to request information regarding the persons in that facility who use the service. For participants living on the street, the grantee/project sponsor may provide estimates.

Information could be collected for each participant or for participants receiving services at a point-in-time. If estimates or point-in-time counts are used, the method used must be described in the APR and the documentation kept on file.

Check the component for the program on which you are reporting.

Section 8 Moderate Rehabilitation

Section 8 Moderate Rehabilitation

- ☐ Single Room Occupancy
(Sec. 8 SRO)

[illegible]

I hereby certify that all the information stated herein is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

4 HUD-40118 (11/00)

Part I: Project Progress

1. **Projected Level of Persons to be served at a given point in time.** (from the application, SHP- Sec. F; SPC- Sec. C; SRO- Sec. D)

	Projected Level	Number of Singles Not in Families	Number of Adults in Families	Number of Children in Families	Number of Families
a.	Persons to be served at a given point in time				

2. **Persons Served during the operating year.**

		Number of Singles Not in Families	Number of Adults in Families	Number of Children in Families	Number of Families
a.	Number on the first day of the operating year				
b.	Number entering program during the operating year				
c.	Number who left the program during the operating year				
d.	Number in the program on the last day of the operating year (a + b - c) = d				

3. **Project Capacity.**

		Number of Singles Not in Families	Number of Adults in Families	Number of Children in Families	Number of Families
a.	Number on the last day (from 2d, columns 1 and 4)				
b.	Number proposed in application (from 1a, columns 1 and 4)				
c.	Capacity Rate (divide a by b) = %	%			%

4. **Non-homeless persons.** This question is to be completed for Section 8 SRO projects.

How many income-eligible non-homeless persons were housed by the SRO program during the operating year?	
---	--

5. **Age and Gender.** Of those who **entered** the project during the operating year, how many people are in the following age and gender categories?

		Age	Male	Female
	a.	62 and over		
	b.	51-61		
	c.	31-50		
	d.	18-30		
	e.	17 and under		
	f.	62 and over		
	g.	51 - 61		
	h.	31 - 50		
	i.	18 - 30		
	j.	13-17		
	k.	6-12		
	l.	1-5		
	m.	Under 1		

Answer questions 6 - 10 only for **participants who entered the project during the operating year** (from 2b, columns 1 & 2). The term **participant** means single persons and adults in families. It does not include children or caregivers. NOTE: The total for questions, 7, 8 and 10 below should be the same; respond to each of those questions for all participants.

6. **Veterans Status.** A veteran is anyone who has ever been on active military duty status.

How many participants were veterans?

7. **Ethnicity.** How many participants are in the following ethnic categories?

a.	Hispanic or Latino	
b.	Non-Hispanic or Non-Latino	

8. **Race.** How many participants are in the following racial categories?

a.	American Indian or Alaskan Native	
b.	Asian	
c.	Black or African American	
d.	Native Hawaiian or Other Pacific Islander	
e.	White	

9. **Special Needs.** How many participants have the following? Participants may have more than one. If so, count them in all applicable categories.

a.	Mental illness	
b.	Alcohol abuse	
c.	Drug abuse	
d.	HIV/AIDS and related diseases	
e.	Developmental disability	
f.	Physical disability	
g.	Domestic violence	
h.	Other (please specify)	

10. **Prior Living Situation.** How many participants slept in the following places in the week prior to entering the project? (Choose one)

a.	Non-housing (street, park, car, bus station, etc.)	
b.	Emergency shelter	
c.	Transitional housing for homeless persons	
d.	Psychiatric facility*	
e.	Substance abuse treatment facility*	
f.	Hospital*	
g.	Jail/prison*	
h.	Domestic violence situation	
i.	Living with relatives/friends	
j.	Rental housing	
k.	Other (please specify)	

*If a participant came from an institution but was there less than 30 days and was living on the street or in emergency shelter before entering the treatment facility, he/she should be counted in either the street or shelter category, as appropriate.

Complete questions 11 - 15 for all **participants who left during the operating year** (from 2c, columns 1 and 2). The term participant means single persons and adults in families. It does not include children or caregivers.

11. Amount and Source of Monthly Income at Entry and at Exit. Of those participants who left during the operating year, how many participants were at each monthly income level and with each source of income?

A. Monthly Income at Entry		
a.	No income	
b.	\$1-150	
c.	\$151 - \$250	
d.	\$251- \$500	
e.	\$501 - \$1,000	
f.	\$1001- \$1500	
g.	\$1501- \$2000	
h.	\$2001 +	

C. Income Sources at Entry		
a.	Supplemental Security Income (SSI)	
b.	Social Security Disability Income (SSDI)	
c.	Social Security	
d.	General Public Assistance	
e.	Temporary Aid to Needy Families (TANF)	
f.	Child Support	
g.	Veterans Benefits	
h.	Employment Income	
i.	Unemployment Benefits	
j.	Medicare	
k.	Medicaid	
l.	Food Stamps	
m.	Other (please specify)	
n.	No Financial Resources	

B. Monthly Income at Exit		
a.	No income	
b.	\$1-150	
c.	\$151 - \$250	
d.	\$251- \$500	
e.	\$501 - \$1,000	
f.	\$1001- \$1500	
g.	\$1501- \$2000	
h.	\$2001 +	

D. Income Sources at Exit		
a.	Supplemental Security Income (SSI)	
b.	Social Security Disability Income (SSDI)	
c.	Social Security	
d.	General Public Assistance	
e.	Temporary Aid to Needy Families (TANF)	
f.	Child Support	
g.	Veterans Benefits	
h.	Employment Income	
i.	Unemployment Benefits	
j.	Medicare	
k.	Medicaid	
l.	Food Stamps	
m.	Other (please specify)	
n.	No Financial Resources	

12. **Length of Stay in Program.** Of those participants who **left** during the operating year (from 2c, columns 1 and 2), how many were in the project for the following lengths of time?

a.	Less than 1 month	
b.	1 to 2 months	
c.	3 - 6 months	
d.	7 months - 12 months	
e.	13 months - 24 months	
f.	25 months - 3 years	
g.	4 years - 5 years	
h.	6 years - 7 years	
i.	8 years - 10 years	
j.	Over 10 years	

13. **Reasons for Leaving.** Of those participants who **left** the project during the operating year (from 2c, columns 1 and 2), how many left for the following reasons? If a participant left for multiple reasons, **include only the primary reason.**

a.	Left for a housing opportunity before completing program	
b.	Completed program	
c.	Non-payment of rent/occupancy charge	
d.	Non-compliance with project	
e.	Criminal activity / destruction of property / violence	
f.	Reached maximum time allowed in project	
g.	Needs could not be met by project	
h.	Disagreement with rules/persons	
i.	Death	
j.	Other (please specify)	
k.	Unknown/disappeared	

14. **Destination.** Of those participants who left during the operating year (from 2c, columns 1 and 2), how many left for the following destination?

PERMANENT (a-h)	a.	Rental house or apartment (no subsidy)	
	b.	Public Housing	
	c.	Section 8	
	d.	Shelter Plus Care	
	e.	HOME subsidized house or apartment	
	f.	Other subsidized house or apartment	
	g.	Homeownership	
	h.	Moved in with family or friends	
TRANSITIONAL (i-j)	i.	Transitional housing for homeless persons	
	j.	Moved in with family or friends	
INSTITUTION (k-m)	k.	Psychiatric hospital	
	l.	Inpatient alcohol or other drug treatment facility	
	m.	Jail/prison	
EMERGENCY SHELTER (n)	n.	Emergency shelter	
OTHER (o-q)	o.	Other supportive housing	
	p.	Places not meant for human habitation (e.g. street)	
	q.	Other (please specify)	
UNKNOWN	r.	Unknown	

15. **Supportive Services.** Of those participants who left during the operating year (from 2, columns 1 and 2), how many received the following supportive services during their time in the project?

a.	Outreach	
b.	Case management	
c.	Life skills (outside of case management)	
d.	Alcohol or drug abuse services	
e.	Mental health services	
f.	HIV/AIDS-related services	
g.	Other health care services	
h.	Education	
i.	Housing placement	
j.	Employment assistance	
k.	Child care	
l.	Transportation	
m.	Legal	
n.	Other (please specify)	

16. **Overall Program Goals.** Under Objectives, list your measurable objectives for this operating year (from your application, Technical Submission, or APR) for each of the three goals listed below. Under Progress, describe your progress in meeting the objectives. Under Next Operating Year's Objectives, specify the measurable objectives for the next operating year.

a. **Residential Stability**

Objectives:

Progress:

Next Operating Year's Objectives:

b. **Increased Skills or Income**

Objectives:

Progress:

Next Operating Year's Objectives:

c. **Greater Self-determination**

Objectives:

Progress:

Next Operating Year's Objectives:

17. **Beds.** SHP recipients answer 17a. S+C recipients answer 17b. SRO recipients answer 17c. (SHP-SSO projects do not complete this question)

- a. **SHP.** How many beds were included in the application approved for *this* project under 'Current Level' and under 'New Effort'? How many of these New Effort beds were actually in place at the end of the operating year?

	Current Level	New Effort	New Effort in Place
Number of Beds:	_____	_____	_____

- b. **S+C.** How many beds and dwelling units were being assisted with project funds at the end of the operating year? (Include beds for all participants, other family members, and care givers.)

Number of Beds: _____
 Number of Dwelling Units: _____

- c. **SRO.** How many dwelling units were being assisted at end of the operating year? (Include units occupied by "in place" non-homeless persons who qualify for assistance.)

Number of Dwelling Units: _____

Part II: Financial Information

18. Supportive Services.

For Supportive Housing (SHP), this exhibit provides information to HUD on how SHP funding for supportive services was spent **during the operating year**. Enter the amount of SHP funding spent on these supportive services.

For Shelter Plus Care (S+C), this exhibit tracks the supportive services match requirement. Specify the value of supportive services from all sources that can be counted as match that all homeless persons received **during the operating year**. (S+C grantees should keep documentation on file, including source, amount, and type of supportive services.)

For Section 8 SRO, this exhibit provides information to HUD on the value of supportive services received by homeless persons **during the operating year**.

	Supportive Services	Dollars
a.	Outreach	
b.	Case management	
c.	Life skills (outside of case management)	
d.	Alcohol and drug abuse services	
e.	Mental health services	
f.	AIDS-related services	
g.	Other health care services	
h.	Education	
i.	Housing placement	
j.	Employment assistance	
k.	Child care	
l.	Transportation	
m.	Legal	
n.	Other (please specify)	
o.	TOTAL (Sum of a through n)	
	Cumulative amount of match provided to date for the Shelter Plus Care Program under this grant	

19. Supportive Housing Program: Leasing, Supportive Services, Operating Costs and Administration

All grantees receiving funding under the Supportive Housing Program must complete these charts each operating year. For **expansion projects**: If SHP grant funds are for the expansion of a pre-existing homeless facility, only the people and expenditures for the additional expansion may be included, as in the original application or any grant amendments. Documentation of resources used is not required to be submitted with this report but should be kept on file for possible inspection by HUD and Auditors. Do not include any expenditures made before the SHP grant was executed.

Summary of Expenditures. Enter the amount of SHP grant funds and cash match expended during the operating year for each activity.

		SHP Funds	Cash Match	Total Expenditures
a.	Leasing			
b.	Supportive Services			
c.	Operating Costs			
d.	Administration			
e.	Total			

Note: Payments of principal and interest on any loan or mortgage may not be shown as an operating expense.

Sources of Cash Match. Enter the sources of cash identified in the Cash Match column, above, in the following categories. Use additional sheets, as necessary.

		Amount
a.	Grantee/project sponsor cash	
b.	Local government (please specify)	
c.	State government (please specify)	
d.	Federal government (please specify)	
	Community Development Block Grant (CDBG)	
e.	Foundations (please specify)	
f.	Private cash resources (please specify)	
g.	Occupancy charge / fees	
h.	Total	

20. Supportive Housing Program: Acquisition, Rehabilitation, and New Construction

All grantees that received SHP funds for acquisition, rehabilitation, or new construction must complete these charts in the year one APR only. This exhibit will demonstrate to HUD that the grantee has contributed enough cash to at least equally match the amount of SHP funds spent for acquisition, rehabilitation, or new construction. Documentation that matching funds were provided is not required to be submitted with this report but should be kept on file for possible inspection by HUD and Auditors.

Summary of Expenditures. Enter the amount of SHP grant funds and cash match expended during the operating year for each activity.

		SHP Funds	Cash Match	Total Expenditures
a.	Acquisition			
b.	Rehabilitation			
c.	New construction			
d.	Total			

Cash Match. Enter the sources of cash identified in the Cash Match column, above, in the following categories. Use additional sheets, as necessary.

		Amount
a.	Grantee/project sponsor cash	
b.	Local government (please specify)	
c.	State government (please specify)	
d.	Federal government (please specify)	
	Community Development Block Grant (CDBG)	
e.	Foundations (please specify)	
f.	Private cash resources (please specify)	
g.	Occupancy charge/ fees	
h.	Total	

Describe any problems and/or changes implemented during the operating year.

Technical Assistance and Recommendations

Based on your experience during the last year, are there any areas in which you need technical advice or assistance? If so, please describe.

Persons Served Worksheet (continued)

Do not submit this worksheet to HUD

[illegible]

Persons Served Worksheet (continued)

Do not submit this worksheet to HUD

[illegible]

Instructions and Codes for Persons Served Worksheet

The use of this worksheet is optional. It was designed to help you collect information on participants needed to complete the Annual Progress Report. If the worksheet is updated as participants move in and move out of your project, most of the information required for completion will be contained in the worksheet. Do not submit this worksheet with the APR.

For projects that serve families, HUD only requires reporting on the number of children served, and the age and gender of these children. Only name, relationship, date of birth, and age on the worksheet need to be completed for children. Assign the adults a number, but not each family member. Use this number to transfer to the other pages of the worksheet.

Beginning with number 4, the numbers in the columns refer to the questions on the APR form. If any questions are answered with "Other," please enter the specific "Other" answer for inclusion in the APR.

Participant Number. This column allows you to either number participants consecutively or to assign a case number. One number should be assigned to each adult.

Name. Names of persons will not be reported to HUD. The use of names is for your record keeping convenience.

Relationship. Enter the appropriate relationship. Examples include: Self, Head of household, Spouse, Child.

Entry Date. Enter date participant entered the project. Usually this will be the date of actual physical move-in for a housing project.

Exit Date. Enter date participant left the project. Usually this will be the date the participant physically moved out for a housing project. Do not include a participant who temporarily left the project and is expected to return in less than 90 days (e.g. hospitalization).

4. **Income-eligible Non-homeless in SRO.** The SRO program allows assistance to units occupied by Section 8 income-eligible persons residing at the SRO prior to rehabilitation. For SRO projects only, indicate whether the participant is an income-eligible, non-homeless person (Y) or not (N). SHP and S+C projects should skip this item.

5a. **Date of Birth.** Enter date of birth including month, day, and year.

5b. **Age.** Enter age at entry.

5c. **Gender.** Enter appropriate letter for gender. M-Male F- Female.

6. **Veterans Status.** Indicate if the participant is a veteran. *Please note: A veteran is anyone who has ever been on active military duty status for the United States.*

7. **Ethnicity.** Enter appropriate letter for ethnic group.
a. Hispanic or Latino
b. Non-Hispanic or Non-Latino

8. **Race.** Enter appropriate letter for race.
a. American Indian or Alaskan Native
b. Asian
c. Black or African-American
d. Native Hawaiian or Other Pacific Islander
e. White

9. **Special Needs.** Enter the letter(s) for the category(ies) that describe the participant's disability(ies). (You may double count)
a. Mental illness
b. Alcohol abuse
c. Drug abuse
d. HIV/AIDS and related diseases
e. Developmental disability
f. Physical disabilities
g. Domestic violence
h. Other (please specify)

10. **Prior Living Situation.** Enter the letter that best describes where the participant slept in the week prior to entering the project. Do not double count.

a. Non-housing (street, park, car, bus station, etc.)
b. Emergency shelter
c. Transitional housing for homeless persons
d. Psychiatric facility*
e. Substance abuse treatment facility*
f. Hospital*
g. Jail/prison*
h. Domestic violence situation
i. Living with relatives/friends
j. Rental housing
k. Other (please specify)

*If a participant came from an institution but was there less than 30 days and were living on the street or in an emergency shelter before entering the facility, he/she should be counted in either the street or shelter category, as appropriate.

Los Angeles County Chief Administrative Office

Grant Management Statement for Grants \$100,000 or More

Department: DCFS		
Grant Project Title and Description		
Transitional Housing Program for Homeless Young People		
Funding Agency	Program (Fed. Grant #/State Bill or Code #)	Grant Acceptance Deadl
U.S. Dept. HUD	CA16B1000043	NO
Total Amount of Grant Funding: \$588,710		County Match: \$360,980
Grant Period: 2 yrs.	Begin Date: 10/02	End Date: 9/04
Number of Personnel Hired Under This Grant:	Full Time: 0	Part Time: 0
Obligations Imposed on the County When the Grant Expires		
Will all personnel hired for this program be informed this is a grant-funded program?	Yes X	No
Will all personnel hired for this program be placed on temporary ("N") items?	Yes	No X
Is the County obligated to continue this program after the grant expires?	Yes	No X
If the County is not obligated to continue this program after the grant expires, the Department will:		
a.) Absorb the program cost without reducing other services	Yes X	No
b.) Identify other revenue sources (describe below)		
Apply for a new grant to replace expiring grant.	Yes X	No
c.) Eliminate or reduce, as appropriate, positions/program costs funded by the grant.	Yes	No
Impact of additional personnel on existing space:		
NA		
Other requirements not mentioned above:		
This is a renewal grant. No additional staff will hired under this grant renewal. Staff providing services under this grant were hired when the original grant was accepted.		

Department Head Signature

Date: 6-3-03